YBS INTERNATIONAL BERHAD

(Registration No: 200201014380 (582043-K))

POWERING PROGRESS WITH PRECISION

ANNUAL REPORT 2026

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POWERING PROGRESS WITH PRECISION

This annual report design features a transparent egg, held in a hand. This is a symbol of new beginnings and growth, reflecting the transformation of YBS International Berhad in the past year. Within the egg is a city, with towering skyscrapers, electric cars, and computer chips, representing YBS' strengths in renewable energy and precision engineering.

A growing skyscraper that struck through the shell of the egg signified both the development YBS has achieved thus far and also the way YBS is moving into a new era and stage of development. The rings of light around the egg are also reminiscent of a planet, symbolising YBS' readiness to pursue greater heights.

Overall, the design embodies YBS' journey of transformation, innovation, and progress, and the Group's commitment to sustainable advancement and ambition to reach new heights in an increasingly dynamic global landscape.

MISSION STATEMENT

MISSION

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

VISION

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

VALUES

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

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

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

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

Najihah Binti Abas
(Independent Non-Executive Director)

Yong Li-Xiang
(Executive Director)

AUDIT, SUSTAINABILITY AND RISK COMMITTEE

Chairperson
Dato' Jimmy Ong Chin Keng

Member(s)
Najihah Binti Abas

NOMINATING COMMITTEE

Chairperson
Dato' Jimmy Ong Chin Keng

Member(s)
Najihah Binti Abas

REMUNERATION COMMITTEE

Chairperson
Najihah Binti Abas

Member(s)
Dato' Jimmy Ong Chin Keng

COMPANY SECRETARY

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

AUDITORS

Grant Thornton Malaysia PLT
201906003682 (LLP0022494-LCA)
Chartered Accountants
Level 5, Menara BHL
51 Jalan Sultan Ahmad Shah
10050 George Town, Penang
Phone: +604-228 7828
Fax: +604-227 9828

REGISTRAR

Mega Corporate Services Sdn. Bhd.
Level 15-2
Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Phone: +603-2692 4271
Fax: +603-2732 5388
Email: mega-sharereg@megacorp.com.my

REGISTERED OFFICE

170-09-01, Livingston Tower
Jalan Argyll
10050 George Town, Penang
Phone: +604-229 4390
Fax: +604-226 5860
Email: boardroom-kl@boardroomlimited.com

HEAD OFFICE

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

WEBSITE ADDRESS

www.ybsinternational.com

PRINCIPAL BANKERS

Ambank Islamic Berhad
Export-Import Bank of Malaysia Berhad
Hong Leong Islamic Bank Berhad
Malayan Banking Berhad
Malaysian Industrial Development Finance Berhad
MBSB Bank Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
RHB Bank Berhad
RHB Islamic Bank Berhad
United Overseas Bank (Malaysia) 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 16 JULY 2026

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

EDARAN PRECISION INDUSTRIES SDN. BHD.
199401022605 (308284-M)
100%

GOLDEN CITY PLASTIC SDN. BHD.
199901013282 (488182-V)
100%

ORIENTAL FASTECH MANUFACTURING SDN. BHD.
200601009934 (729684-X)
100%

ORIENTAL FASTECH MANUFACTURING (VIETNAM) CO., LTD.
100%

EDARAN INTERCONNECT SDN. BHD.
201401029086 (1105172-U)
100%

EDARAN RESOURCES PTE. LTD.
100%

ORIFAST SOLUTIONS SDN. BHD.
201401029088 (1105174-D)
100%

BUMBLEBEE ECO SOLUTIONS SDN. BHD.
201601022056 (1192995-A)
100%

ORIBES SDN. BHD.
202401038557 (1584404-U)
100%

ALLIED PRECISION MANUFACTURING (M) SDN. BHD.
199901020916 (495816-P)
100%

ALLIED PRECISION TECHNOLOGIES (M) SDN. BHD.
201601027135 (1198074-T)
100%

ALLIED TECHNOLOGIES (SAIGON) CO., LTD.
100%

ALLIED PRECISION (THAILAND) CO., LTD.
100%

PROFILE OF **DIRECTORS**

DATO' DR. MOHD SOFI BIN OSMAN

Chairperson/Independent Non-Executive Director

Aged 65 | **Gender** Male | **Nationality** Malaysian

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

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

Dato' Dr. Mohd Sofi began his career as an Engineer at Advanced Micro Devices Sdn. Bhd. ("AMD") in 1986. Over the years, he progressed to assume greater responsibilities, culminating in his roles as Managing Director for Penang operations and Corporate Vice President of the AMD Group prior to his departure in 2011. In 2012, he joined Altera Corporation (M) Sdn. Bhd. ("Altera") as Vice President of Operations and subsequently retired in 2016 as Managing Director and Vice President of Worldwide Operations and Engineering. In 2018, he joined Lumileds Malaysia Sdn. Bhd. as Managing Director and Vice President for Penang operations, where he was responsible for its overall management and operations before leaving in 2020.

Dato' Dr. Mohd Sofi has been an Independent Non-Executive Director of Oppstar Berhad since June 2022 and has served as the Independent Non-Executive Chairman of THMY Holdings Berhad since February 2025. He was a board member of the Collaborative Research in Engineering, Science and Technology Center ("CREST") in 2013 and was subsequently appointed as an adviser in 2016, a position he continues to hold.

Dato' Dr. Mohd Sofi is also a Senior Fellow at MIMOS Industry Advocacy Group (IAG) since Sept 2025. He is also an Adjunct Fellow at Institute of Nano Optoelectronics Research and Technology (INOR), University Sains Malaysia in Feb 2026. He is also being appointed in the Oversight Steering Committee Member (CREST) for MyChipStart in May 2026.

Dato' Dr. Mohd Sofi has no family relationships with any directors and/or major shareholders of the Company and has no conflict of interest with YBS and its subsidiaries ("YBS Group" or the "Group"). He has not been convicted of any offences, other than traffic offences (if any), within the past five (5) years, and no public sanctions or penalties have been imposed on him by the relevant regulatory bodies during the financial year. Dato' Dr. Mohd Sofi attended all six (6) Board meetings held during the financial year.

PROFILE OF **DIRECTORS** (CONT'D)

YONG CHAN CHEAH

Group Managing Director and Chief Executive Officer

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

Mr. Yong Chan Cheah is the Group Managing Director and Chief Executive Officer of YBS Group. He was first appointed as an Executive Director of the Company on 7 June 2013 and was subsequently promoted to Group Managing Director on 27 February 2014. On 21 February 2024, he was re-designated as Group Managing Director and Chief Executive Officer.

Mr. Yong graduated with a Bachelor of Business Administration from Universiti Utara Malaysia ("UUM") in 1998. He has more than two (2) decades of extensive experience in the marketing and sales of metal and plastic components. He began his career in 1998 with Pentagon Engineering Sdn. Bhd. as a Contract Administrator. In 1999, he joined AE Technology Sdn. Bhd. as a Sales Executive 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 has since been actively involved in the growth and development of OFM and other related companies within the YBS Group. He does not hold any directorship in other public companies and listed issuers.

Mr. Yong is the brother of Mr. Yong Swee Chuan, a major shareholder of the Company, and the brother-in-law of Madam Koh Pei San, also a major shareholder of the Company. His son, Mr. Yong Li-Xiang, is an Executive Director of the Company. He has no conflict of interest with the YBS Group, save as disclosed in the audited financial statements. He has not been convicted of any offences, other than traffic offences (if any), within the past five (5) years, and no public sanctions or penalties have been imposed on him by the relevant regulatory bodies during the financial year. Mr. Yong attended all six (6) Board meetings held during the financial year.

YONG LI-XIANG

Executive Director

Aged 27 | **Gender** Male | **Nationality** Malaysian

Mr. Yong Li-Xiang is the Executive Director of YBS. He was first appointed as Alternate Director to Mr. Yong Chan Cheah, Group Managing Director and Chief Executive Officer of YBS, on 1 September 2023 prior to his appointment as an Executive Director on 1 October 2025.

Mr. Yong holds a Bachelor of Science in Mechanical Engineering from Oregon State University, United States of America, obtained in December 2021. He is a Student Affiliate of the National Society of Professional Engineers.

He began his career with YBS Group in February 2022 as a Product Engineer, where he was actively involved in managing the New Product Introduction ("NPI") process. He subsequently served as Deputy Chief Operating Officer of Orifast Solutions Sdn. Bhd., a subsidiary of YBS Group, from 2023 to May 2024. He is currently an Executive Director of certain subsidiaries within the YBS Group. He does not hold any directorship in other public companies and listed issuers.

Mr. Yong is the son of Mr. Yong Chan Cheah, a director and major shareholder of the Company. He is also the nephew of Mr. Yong Swee Chuan and Madam Koh Pei San, both major shareholders of the Company. He has no conflict of interest with YBS Group, save as disclosed in the audited financial statements. He has not been convicted of any offences, other than traffic offences (if any), within the past five (5) years, and no public sanctions or penalties have been imposed on him by the relevant regulatory bodies during the financial year. Mr. Yong attended two (2) Board meetings held during the financial year after his appointment.

PROFILE OF **DIRECTORS** (CONT'D)

DATO' JIMMY ONG CHIN KENG

Independent Non-Executive Director

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

Dato' Jimmy Ong Chin Keng was appointed as an Independent Non-Executive Director of YBS on 5 February 2021. He was appointed as Chairperson of Nominating Committee on 8 July 2022 and assumed the role of Chairperson of Audit, Sustainability and Risk Committee on 1 January 2025. He is also a member of the Remuneration Committee of the Company.

Dato' Jimmy Ong is a Chartered Accountant and holds a professional qualification from the Malaysian Institute of Certified Public Accountants. He is also a member of Malaysian Institute of Accountants ("MIA"). He joined Emico Holdings Berhad ("Emico") in February 1993 as the Financial Controller and was promoted to Finance Director in 1996. On 23 January 2009, he was appointed as Managing Director and was subsequently re-designated as Executive Director on 1 October 2019. He assumed his current role as Non-Independent Non-Executive Director on 25 September 2022. Dato' Jimmy Ong brings with him extensive experience and expertise in accounting, finance, corporate finance, particularly within the manufacturing and property development sectors. Prior to joining Emico, he spent a decade with two (2) international accounting firms, PricewaterhouseCoopers and KPMG.

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

NAJIHAH BINTI ABAS

Independent Non-Executive Director

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

Puan Najihah Binti Abas was appointed as an Independent Non-Executive Director of YBS on 1 October 2025. She is also a member of the Audit, Sustainability and Risk, Remuneration and Nominating Committees of the Company. She was appointed as Chairperson of Remuneration Committee on 16 July 2026.

Puan Najihah holds a Master of Business Administration from Ohio University and a Bachelor's Degree in Business Administration (Hons) from the International Islamic University Malaysia. She is currently pursuing a Doctor of Philosophy (PhD) in Project Management at the Universiti Malaya-Wales.

Puan Najihah has over 30 years of experience in the public sector, specialising in investment promotion, industrial development, corporate governance and organisational transformation. She began her career with the Malaysia Productivity Corporation ("MPC") in 1993 before joining the Malaysian Investment Development Authority ("MIDA") in 1996. During her tenure at MIDA, she held several senior leadership positions, including Executive Director of Corporate Management Services, Executive Director of Investment Promotion and Executive Director of Manufacturing Development (Non-Resource). She also served as Director of MIDA London from 2012 to 2015, overseeing investment promotion activities in the United Kingdom and the Republic of Ireland.

Following her retirement from MIDA in 2025, she currently serves as Strategic Advisor at CZR Consulting Sdn. Bhd. and Corporate Advisor at Humanology Sdn. Bhd.. She does not hold any directorship in other public companies and listed issuers.

Puan Najihah has no family relationships with any directors and/or major shareholders of the Company and has no conflict of interest with YBS Group. She has not been convicted of any offences, other than traffic offences (if any), within the past five (5) years, and no public sanctions or penalties have been imposed on her by the relevant regulatory bodies during the financial year. Following her appointment, Puan Najihah attended two (2) Board meetings held during the financial year after her appointment.

PROFILE OF **KEY SENIOR MANAGEMENT**

Low Maan Teong

Chief Operating Officer

Aged 55 | **Gender** Male | **Nationality** Malaysian

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

Mr. Low has no family relationships with any director and/or major shareholder of the Company nor does he have any conflict of interest with YBS Group. He has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years and there is no public sanctions or penalties have been imposed on him by the relevant regulatory bodies during the financial year.

Lee Choong Leong

Operation Director

Aged 57 | **Gender** Male | **Nationality** Malaysian

Mr. Lee Choong Leong joined YBS on 2 April 2026 as Operation Director. He brings over 30 years of extensive experience in the metal stamping, mechanical solutions and manufacturing industry. He previously held the positions of General Manager and Deputy General Manager in a sheet metal fabrication business, where he led end-to-end operations, drove business growth and profitability, and delivered strong performance in revenue expansion, operational efficiency and cost optimisation while overseeing cross-functional teams. He began his career as an Engineer and progressed through increasingly senior leadership roles, including Manufacturing Manager, where he directed end-to-end production operations and spearheaded process improvements across metal fabrication and mechanical assembly functions. Mr. Lee holds a Diploma in Materials Engineering from Tunku Abdul Rahman College, Kuala Lumpur, Malaysia.

Mr. Lee has no family relationships with any director and/or major shareholder of the Company and has no conflict of interest with YBS Group. He has not been convicted of any offences, other than traffic offences (if any), within the past five (5) years, and no public sanctions or penalties have been imposed on him by the relevant regulatory bodies during the financial year.

Moy Ean Chung

Group Financial Controller

Aged 52 | **Gender** Female | **Nationality** Malaysian

Ms. Moy Ean Chung joined YBS on 1 September 2025 as Group Financial Controller. She brings over 25 years of extensive experience in financial management, corporate finance, treasury, tax and internal control within public listed groups and manufacturing environments. Prior to joining YBS, she has held senior finance leadership roles, primarily in listed companies, with extensive experience in financial management and internal controls. Ms. Moy is a graduate of Universiti Utara Malaysia, where she obtained her Bachelor of Accountancy (Hons). She is a member of the Malaysian Institute of Accountants ("MIA").

Ms. Moy has no family relationships with any director and/or major shareholder of the Company and has no conflict of interest with YBS Group. She has not been convicted of any offences, other than traffic offences (if any), within the past five (5) years, and no public sanctions or penalties have been imposed on her by the relevant regulatory bodies during the financial year.

5-YEAR **FINANCIAL HIGHLIGHTS**

	FINANCIAL YEAR ENDED 31 MARCH				
	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	2026 RM'000
Revenue	79,509	88,867	98,545	118,521	**149,538**
Profit/(Loss) before tax	7,115	4,262	(7,971)	(9,446)	**24,280**
Net profit/(loss) for the year	6,192	3,165	(7,884)	(10,897)	**14,166**
Net profit/(loss) attributable to owners of the Company	6,168	4,008	(6,631)	(10,088)	**14,166**
Total equity attributable to owners of the Company	69,472	73,909	72,595	136,168	**164,104**
Total assets	133,112	159,910	162,377	224,751	**421,437**

SHARE INFORMATION

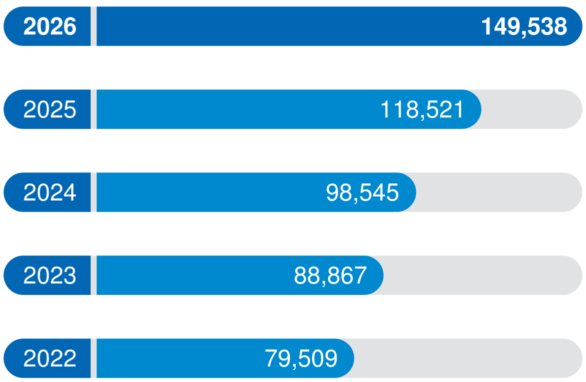
Basic earnings/(loss) per share (sen)	2.49	1.59	(2.59)	(3.74)	**4.80**
Diluted earnings/(loss) per share (sen)	2.36	1.52	(2.49)	(3.67)	**4.80**
Net asset per share (RM)	0.28	0.29	0.28	0.46	**0.55**

FINANCIAL RATIOS

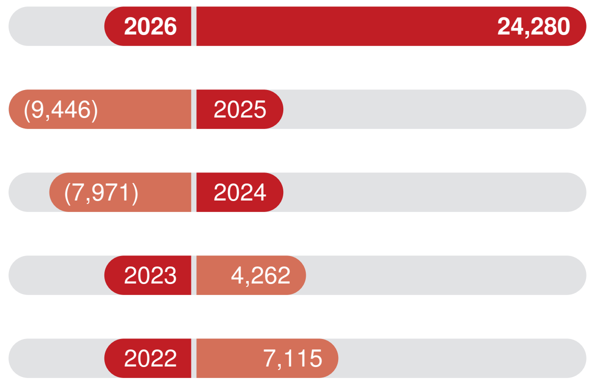
Profit/(loss) before tax margin	8.9%	4.8%	(8.1%)	(8.0%)	**16.2%**
Net profit/(loss) margin	7.8%	3.6%	(8.0%)	(9.2%)	**9.5%**
Return on equity attributable to owners of the Company	8.9%	5.4%	(9.1%)	(7.4%)	**8.6%**
Return on total assets	4.7%	2.0%	(4.9%)	(4.8%)	**3.4%**
Revenue growth rate	25.9%	11.8%	10.9%	20.3%	**26.2%**

5-YEAR **FINANCIAL HIGHLIGHTS** (CONT'D)

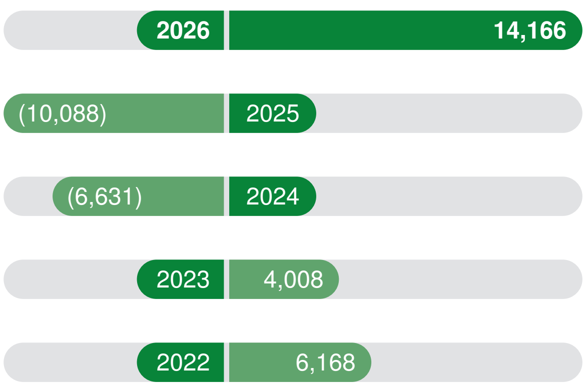
REVENUE (RM'000)



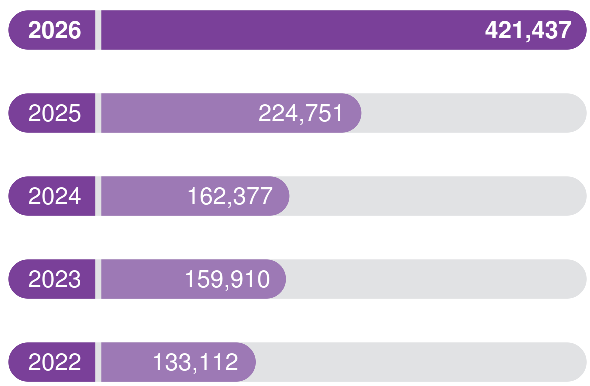
PROFIT/(LOSS) BEFORE TAX (RM'000)



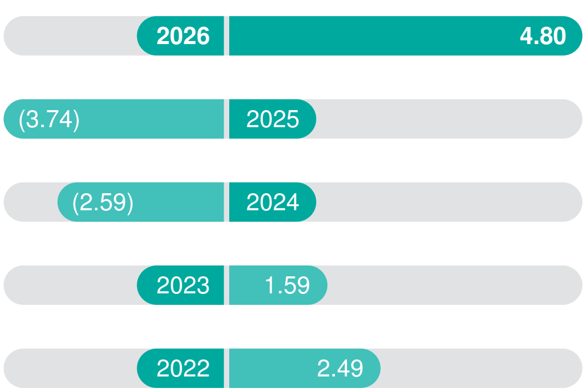
NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)



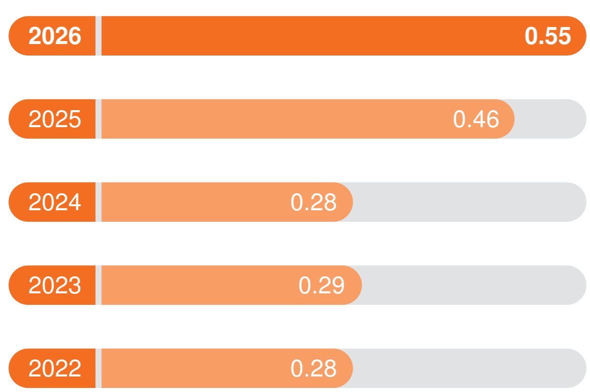
TOTAL ASSETS (RM'000)



BASIC EARNINGS/(LOSS) PER SHARE (SEN)



NET ASSET PER SHARE (RM)



CHAIRPERSON'S **STATEMENT**

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

Dear Shareholders,

On behalf of the Board of Directors ("**Board**"), it is my distinct pleasure to present the Annual Report of YBS International Berhad ("**YBS**" or "**the Company**") for the financial year ended 31 March 2026 ("**FY2026**") – a year that fundamentally redefined our trajectory.

A PIVOTAL YEAR OF TRANSFORMATION

FY2026 was not merely a year of incremental progress; it was a watershed moment. While navigating persistent global headwinds, we made bold, decisive moves to reshape our future. The cornerstone of this transformation was the strategic development of our new Prai manufacturing facility and the landmark acquisition of Allied Precision Technologies (M) Sdn. Bhd. ("**APTM**"), Allied Precision (Thailand) Co., Ltd. ("**APTC**"), Allied Precision Manufacturing (M) Sdn. Bhd. ("**APM**") and Allied Technologies (Saigon) Co., Ltd. ("**ATSC**")("**Allied Group**"). These are not just expansions—they are game-changers that significantly enhance our manufacturing footprint, technical capabilities, and regional reach in Thailand and Vietnam.

CHAIRPERSON'S **STATEMENT** (CONT'D)

FINANCIAL PERFORMANCE – BUILDING MOMENTUM

Our top-line growth tells a compelling story. Revenue surged by 26% to RM149.5 million, up from RM118.5 million, propelled by robust demand for our Electronic Manufacturing Services (EMS) and the early contributions from our expanded capacity.

While we delivered a profit after tax of RM14.2 million, the Board wants to be transparent about the journey. We strategically absorbed approximately RM6.0 million in initial costs related to the Prai ramp-up and the Allied Group integration. These are deliberate, short-term investments in our long-term capacity. Crucially, these costs are already yielding results, and we are confident that as we scale, these investments will translate into substantial margin expansion.

We also executed a revaluation of our assets, unlocking a fair value gain of RM45.0 million and a revaluation reserve increase of RM13.3 million. While these are non-operational gains, they underscore the solid underlying asset base we are building for the future.

GOVERNANCE : A FOUNDATION OF STRENGTH

We remain unwavering in our commitment to excellence in governance. As we bid a heartfelt farewell to Ms. Gor Siew Yeng, whose 12 years of service left an indelible mark on our Board, we are actively seeking a successor of equal calibre to ensure our stewardship remains best-in-class.

OUTLOOK : POISED FOR ACCELERATED GROWTH

The global landscape remains dynamic, but we view this not as a threat, but as an opportunity. With Malaysia's Electrical & Electronics ("E&E") sector firing on all cylinders—fuelled by the Artificial Intelligence ("AI") boom and data centre investments—we are perfectly positioned at the heart of this growth.

FY2026 was our year of investment; FY2027 will be our year of execution and harvest. As the Prai facility ramps up to full utilisation and the Allied Group integration achieves operational synergy, we are poised for a significant step-change in profitability. We are cautiously optimistic, but more importantly, we are strategically ready.

OUR PROMISE

While we have elected to conserve cash for future capital investment rather than declare a dividend this year, we believe this discipline will yield far greater returns for our shareholders in the medium to long term.

Finally, my deepest gratitude goes to our resilient Management team and employees, whose unwavering commitment turned our ambitions into reality, and to you, our shareholders, for your steadfast trust.

The Board is more confident than ever. We are not just navigating the future; we are actively building it.

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

MANAGEMENT **DISCUSSION AND ANALYSIS**

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

YBS International Berhad ("YBS" or "the Company") and its subsidiaries ("the Group") is an integrated manufacturing solutions provider specialising in precision engineering, electronic manufacturing services ("EMS"), and industrial packaging solutions. Since listed on the ACE Market of Bursa Malaysia Securities Berhad in 2003, the Group has evolved into a multi-disciplinary manufacturer serving a diverse range of global industries.

The Group's operations are structured into several key business segments, each supporting a vertically integrated manufacturing ecosystem:

- 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.
- 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.
- Electronic Manufacturing Services ("EMS") – involved in the manufacture and assembly of electronic components and lithium-ion batteries assembly process and products.
- Paper products – involved in the manufacture of corrugated and honeycomb boards and paper related products.

As part of its long-term growth strategy, the Group has undertaken a significant capacity expansion through the development of its new manufacturing facility located at the Prai Free Trade Zone, Penang. This expansion represents a critical step in strengthening the Group's operational footprint and enhancing its ability to support increasing customer demand in the EMS segment.

On 8 April 2026, YBS successfully completed the acquisition of 4 new subsidiaries: Allied Precision Manufacturing (M) Sdn. Bhd., Allied Precision Technologies (M) Sdn. Bhd., Allied Technologies (Saigon) Co., Ltd. and Allied Precision (Thailand) Co., Ltd., ("Allied Group"), marking a significant milestone in the Group's inorganic growth strategy. The Allied Group is principally engaged in precision manufacturing services, offering a vertically integrated suite of capabilities including design and product development, prototyping, tool and die fabrication, precision metal stamping, and mechanical sub-assembly services, serving customers primarily in the electronics and computer-related industries. The completion of this acquisition enhances the Group's engineering depth and manufacturing scale, while enabling YBS to broaden its product offerings, strengthen its regional footprint and deliver more comprehensive end-to-end solutions to its customers.

The Group operates primarily in Malaysia, with manufacturing facilities in Penang and Johor covering precision engineering, EMS and packaging, complemented by operations in Vietnam and a marketing presence in Singapore; following the acquisition of the Allied Group, the Group's footprint has further expanded across the region.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

Income Statement Highlights	FY2026 (RM'000)	FY2025 (RM'000)	YoY
Revenue	149,538	118,521	+26.2%
Profit/(Loss) before tax	24,280	(9,446)	+357.0%
Net profit/(loss) for the year	14,166	(10,897)	+230.0%

For FY2026, the Group recorded revenue of RM149.5 million, representing an increase from RM118.5 million in the preceding financial year, primarily driven by stronger contributions from the EMS segment, supported by increased customer demand and expanded operational capacity. The Group recorded a profit after tax of RM14.2 million, a significant turnaround from a loss after tax of RM10.9 million in FY2025, as a result of fair value gain RM34.4 million net of tax recorded in FY2026.

During the financial year, the Group incurred approximately RM6.0 million in initial cost absorption associated with the development of the Prai factory and the integration of the Allied Group acquisition, which weighed on margins. The Group also recognised a fair value gain of approximately RM45.0 million arising from the revaluation of its investment property, while a revaluation surplus of RM13.3 million on a factory building was recognised in equity. Excluding these non-operational items, the Group remains focused on improving profitability through better capacity utilisation and operational efficiencies as the Prai facility stabilises and integration benefits from the Allied acquisition are progressively realised.

Revenue breakdown by business segment	FY2026		FY2025	
	RM'000	%	RM'000	%
Precision engineering and plastic injection moulding	19,168	12.8	18,935	16.0
Precision machining and stamping	53,649	35.9	48,565	41.0
Electronic manufacturing services	44,974	30.1	23,458	19.8
Paper products	23,173	15.5	19,365	16.3
Investment	8,574	5.7	8,198	6.9
Total	149,538	100.0	118,521	100.0

In terms of segmental performance, the Precision Machining and Stamping segment remained the largest contributor, accounting for 35.9% (FY2025: 41.0%) of total revenue, followed by the EMS segment, which increased its contribution significantly to 30.1% (FY2025: 19.8%), driven by business expansion and higher utilisation. The Paper Products segment and Investment business continued to provide stable contributions, accounting for 15.5% (FY2025: 16.3%) and 5.7% (FY2025: 6.9%) respectively, while Precision Engineering and Plastic Injection Moulding remained relatively stable at 12.8% (FY2025: 16.0%). The improved revenue mix, particularly the growing contribution from the EMS segment, has strengthened the Group's earnings profile.

Balance Sheet	FY2026 (RM'000)	FY2025 (RM'000)
Total Assets	421,437	224,751
Cash and Bank Balances	20,841	21,070
Total Liabilities	257,333	88,583
Total Borrowings	172,325	53,302
Total Equity	164,104	136,168
Gearing Ratio (times)	1.05	0.39

The Group's financial performance and expansion activities during the year are reflected in its balance sheet position. The Group's total assets increased significantly to RM421.4 million in FY2026 from RM224.8 million in the preceding financial year, mainly attributable to additions from the Prai factory development, the partial purchase consideration paid in relation to the acquisition of the Allied Group, and revaluation of investment property and factory buildings. Cash and bank balances decreased to RM20.8 million from RM21.1 million, primarily due to capital expenditure and funding requirements for expansion and acquisition activities during the year.

MANAGEMENT **DISCUSSION AND ANALYSIS** (CONT'D)

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

Total liabilities rose to RM257.3 million from RM88.6 million, mainly driven by higher borrowings, which increased to RM172.3 million (FY2025: RM53.3 million) to finance expansion and acquisition initiatives. Consequently, the Group's gearing ratio increased to 1.05 times from 0.39 times previously, reflecting a more leveraged capital structure following these investments. Total equity strengthened to RM164.1 million from RM136.2 million, supported by the profit generated during the year and asset revaluation surplus.

Cash Flow	FY2026 (RM'000)	FY2025 (RM'000)
Net Cash from/(used in)		
Operating Activities	9,317	(3,990)
Investing Activities	(130,810)	(7,340)
Financing Activities	111,585	16,273
Net Changes in Cash and Cash Equivalents	(9,908)	4,943

The Group generated net cash inflow from operating activities of RM9.3 million in FY2026, compared to a net cash outflow of RM4.0 million in the preceding financial year, reflecting improved operating performance and working capital management. Net cash used in investing activities increased significantly to RM130.8 million from RM7.3 million, primarily attributable to capital expenditure for the Prai factory development and the acquisition of the Allied Group.

To support these expansion initiatives, net cash generated from financing activities rose to RM111.6 million (FY2025: RM16.3 million), mainly driven by higher borrowings during the year. As a result, the Group recorded a net decrease in cash and cash equivalents of RM9.9 million, compared to a net increase of RM4.9 million in FY2025. Notwithstanding this, the Group's liquidity position remains adequate, supported by improved operating cash flows and access to bank financing facilities, providing sufficient financial flexibility to meet its operational requirements and ongoing expansion plans.

ANTICIPATED RISKS

Political, Economic and Regulatory Risks

The Group is exposed to political, economic and regulatory developments in Malaysia and other markets in which it operates. Changes in macroeconomic conditions, including interest rate movements, foreign exchange volatility, global economic uncertainties and ongoing geopolitical tensions, may affect the Group's financial performance.

In navigating a dynamic and evolving business environment, the Group continues to adopt prudent risk management practices, including cost optimisation, operational efficiency and disciplined financial management, to mitigate potential adverse impacts. While the operating environment remains subject to uncertainties, the Group believes that its diversified business segments, expanded operational capacity and strengthened regional footprint position it to manage near-term challenges and pursue sustainable growth opportunities.

Trade War Risk

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

The Group manages its exposure to such risks through diversification of its customer base and geographical markets, strengthening local and regional supply chains, and closely monitoring global trade developments to proactively adjust sourcing, pricing and logistics strategies.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

ANTICIPATED RISKS (CONT'D)

Currency risk

The Group is exposed to foreign currency exchange risk arising from sales and purchases denominated in foreign currencies, primarily the United States ("US") Dollar.

The Group manages its exposure through natural hedging by matching foreign currency revenues and expenditures, maintaining foreign currency accounts to meet future obligations, and closely monitoring currency movements to manage potential fluctuations.

Interest Rate Risk

The Group is exposed to interest rate risk arising from its borrowings, where changes in market interest rates may affect finance costs and overall funding requirements. This risk is particularly relevant in the context of the Group's capital management and expansion activities.

The Group manages its exposure by maintaining a balanced mix of fixed and floating rate borrowings, regularly reviewing its financing structure to optimise borrowing costs, and closely monitoring interest rate trends to support prudent financial planning.

Customer concentration risk

The Group is exposed to customer concentration risk, with a significant portion of its revenue derived from a relatively small number of key customers. The ability to retain these customers while expanding its customer base remains important to the Group's continued growth and revenue stability.

The Group mitigates this exposure by diversifying its customer base and end markets, expanding into new product segments, and continuously enhancing its manufacturing capabilities and quality standards to meet evolving customer requirements.

OUTLOOK AND PROSPECTS

The global economic environment is expected to remain challenging in 2026, with growth projected to moderate amid heightened geopolitical tensions, ongoing conflicts and macroeconomic uncertainties. Global growth is estimated at approximately 3.1% in 2026, with a modest recovery anticipated in 2027, supported by easing inflationary pressures and gradual stabilisation in financial conditions. Notwithstanding this, the manufacturing and electronics sectors continue to face supply chain adjustments, tariff-related uncertainties and evolving customer requirements, requiring continued operational agility and disciplined risk management.

Against this backdrop, the Group remains cautiously optimistic on its prospects for FY2027. The completion of the Allied Group acquisition and the progressive ramp-up of the Prai manufacturing facility are expected to strengthen the Group's production capacity, technical capabilities and market reach. Supported by its expanding EMS segment and diversified customer base, the Group is well-positioned to capture growth opportunities while focusing on improving capacity utilisation, strengthening cost management and realising integration synergies to support sustainable growth in the medium to long term.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

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

This statement provides an overview of the Company's corporate governance practices during the financial year ended 31 March 2026 ("**FY2026**") with reference to the 3 Principles as set out in the Malaysian Code on Corporate Governance 2021 ("**MCCG**" or "**the Code**"). The Company's application of each Practice set out in MCCG during FY2026 is disclosed in the Company's Corporate Governance Report ("**CG Report**") which is available on the Company's website at www.ybsinternational.com as well as via the Company's announcement made to Bursa Malaysia Securities Berhad ("**Bursa Securities**").

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

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board of Directors

As at FY2026, the Board of YBS comprises of six (6) members; one (1) Managing Director & Chief Executive Officer ("**MD & CEO**") and one (1) Executive Director who are actively involved in the day-to-day management and operations of the Company and four (4) Independent Non-Executive Directors ("**INED**"):

Directors	Designation
Dato' Dr. Mohd Sofi Bin Osman	Independent Non-Executive Director/Chairperson
Yong Chan Cheah	Managing Director & Chief Executive Officer
Dato' Jimmy Ong Chin Keng	Independent Non-Executive Director
Yong Li-Xiang *(Appointed on 01 October 2025)*	Executive Director
Najihah Binti Abas *(Appointed on 01 October 2025)*	Independent Non-Executive Director
Gor Siew Yeng *(Retired on 01 July 2026)*	Independent Non-Executive Director

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

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

The Board meets at least four (4) times a year at quarterly intervals with additional meetings convened as necessary. Throughout FY2026, the Board held a total of six (6) meetings. The purpose of these meetings was to discuss and deliberate on a wide range of matters pertaining to the Group. These included reviewing and analysing the Group's quarterly operations and financial results, evaluating major investments and strategic decisions, assessing business plans, reviewing and approving related party transactions, and conflict of interest (if any), and addressing any other strategic issues that could potentially impact the Group's businesses. By convening regular board meetings, the Board ensures that important matters are thoroughly considered, enabling effective decision-making and strategic planning.

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

1. Board of Directors (Cont'd)

The attendance of Directors of the meetings of the Board and Board Committees (defined below) held during FY2026 is as tabulated below:

Directors	Board	ASRC	NC	RC
Dato' Dr. Mohd Sofi Bin Osman	6/6	-	-	-
Yong Chan Cheah	6/6	-	-	-
Dato' Jimmy Ong Chin Keng	6/6	6/6	2/2	4/4
Yong Li-Xiang *(Appointed on 01 October 2025)*	2/2	-	-	-
Najihah Binti Abas *(Appointed on 01 October 2025)*	2/2	2/2	-	1/1
Gor Siew Yeng *(Retired on 01 July 2026)*	6/6	6/6	2/2	4/4
Low Hee Chung *(Retired on 31 July 2025)*	3/3	3/3	1/1	2/2

2. Board Responsibilities

The Board is responsible for oversight and overall management of the Company and the delivery of sustainable value to its stakeholders. To ensure the effective discharge of its function and responsibilities, the Board established an internal governance model for delegating of specific powers of the Board to the relevant board committees namely Audit, Sustainability and Risk Committee ("**ASRC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively the "**Board Committees**"), Group MD & CEO and the Key Senior Management ("**KSM**") of the Company and respective subsidiaries.

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

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

The Board Committees are entrusted with specific responsibilities to oversee the Group's affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference ("**TOR**"). The chairperson of the relevant Board Committees also report to the Board on key issues deliberated by the Board Committees at their respective meetings.

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

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

CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

2. **Board Responsibilities** (Cont'd)

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

The Chairperson 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 Chairperson also exercises control over the quality, quantity and timeliness of information flow between the Board and Management. At a general meeting, the Chairperson plays a role in fostering constructive dialogue between shareholders, Board and Management.

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

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

3. **Demarcation of Responsibilities**

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

The Board Charter is subject to periodical review by the Board to ensure that it remains relevant and consistent with the Board's roles and responsibilities, changing needs of the Company as well as any development in the prevailing legislation and practices.

The Board Charter is published on the Company's website at www.ybsinternational.com.

4. **Good business conduct and corporate culture**

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

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

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

Whistleblowing Policy
YBS has in place the Whistleblowing Policy that fosters an environment in which integrity and ethical behavior are maintained and any illegal or improper actions and/or wrong doings in the Group may be exposed.

The Whistleblowing Policy is published on the Company's website at www.ybsinternational.com.

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

The ABC Policy is published on the Company's website at www.ybsinternational.com.

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

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

CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

4. **Good business conduct and corporate culture** (Cont'd)

Sustainable Practice

The Board recognises that sustainable development is an important and integral part of the Group's pursuit of its long-term business success. The Board is responsible for the development of the Group's sustainability strategies.

The management continues to engage with stakeholders to seek feedback and viewpoints that would be useful to the Group in developing sustainability targets and implementation strategies. The Board will meet and discuss key sustainability matter at least once a year.

The Directors have been and will continue to attend training to keep abreast of development on sustainability as well as regulations and guidance on current and emerging environmental that may affect the Group.

The Board recognises the importance of sustainability in all its business operations and had included sustainability as one of the criteria in the performance evaluations of board members. The annual evaluation of the Directors, the Board and Board Committees for FY2026 included assessment on Board's understanding of sustainability issues. Do refer the Sustainability Statement which outlined sustainability activities by the Group.

The Group MD & CEO is the designated person leading the Group's sustainability initiatives.

5. **Board Composition**

As at FY2026, the Board comprised of six (6) members with one (1) MD & CEO, one (1) Executive Director and four (4) INEDs. 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. Following the retirement of Ms. Gor Siew Yeng on 01 July 2026, the Board is still in compliance with Rule 15.02 of the ACE LR.

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

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

The presence of the four (4) Independent Non-Executive Directors during FY2026 provides guidance, unbiased, fully balanced and independent views, advice and judgement to many aspects of the Group's strategy so as to safeguard the interests of minority shareholders and to ensure that high standards of conduct and integrity are maintained by the Group.

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

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

CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

5. **Board Composition** (Cont'd)

Nominating Committee
As at FY2026, the NC comprises three (3) members, all of whom are INEDs as tabulated below:

Name	Position
Dato' Jimmy Ong Chin Keng	Chairperson
Najihah Binti Abas	Member
Gor Siew Yeng *(Retired on 01 July 2026)*	Member

Following the retirement of Ms. Gor Siew Yeng on 01 July 2026, the NC comprised of two (2) INEDs. The Board will fill the vacancy to ensure the NC comprises of three (3) members in accordance with the TOR of the NC.

The NC assumes the following core responsibilities:

(a) formulating the nomination, selection and succession policies for members of the Board;
(b) review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board annually;
(c) consider the election criteria and develop procedures for the sourcing and election of candidates to stand for election by the Company's shareholders or to fill casual vacancies of Directors;
(d) identify and nominate candidates to the Board for it to recommend to shareholders for election as Directors;
(e) undertake an assessment of its independent Directors annually and justify the retention of independent Directors who have served more than 9 years;
(f) review the training needs for the Directors regularly; and
(g) 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.

There were two (2) meetings held by the NC during the FY2026 with full attendance by all members. The activities carried out by the NC during FY2026 in discharging its functions were as follows, amongst others:

(a) reviewed the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board;
(b) undertaken an assessment of the independence of its Independent Directors;
(c) recommended to the Board on those Directors who retire pursuant to Constitution of the Company, and being eligible, seek for re-election at the Annual General Meeting ("**AGM**");
(d) reviewed and recommended the continuation in office of the INED who has served beyond 9 years;
(e) reviewed and recommended the appointment of new Executive Director and INED in the Company;
(f) reviewed the training needs for the Directors; and
(g) reviewed the composition of the ASRC.

Details of the NC TOR is available at the Company's website at www.ybsinternational.com.

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

It has been a practice of the Company that NC will carry out an interview with the candidate prior to his/her appointment as a director of the Company. All candidates for appointment are first considered by the NC, taking into account the mix of skills, competencies, experience, professionalism and other relevant qualities required to well manage the business, with the aim of meeting the current and future needs of the Board composition. The NC also evaluates the candidates' character integrity and ability to commit sufficient time to the Company.

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

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

5. **Board Composition** (Cont'd)

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

The NC played an important role in assisting the Board to assess the independence of INEDs of the Company on an annual basis. Based on the assessment conducted by the NC for FY2026, 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).

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

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

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

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

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

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

On 16 July 2026, an assessment of the effectiveness of the Board, respective Board Committees and Independence was carried out in respect of FY2026. An appraisal form which encompasses quantitative and qualitative performance criteria to evaluate the performance of each member of the Board as well as each Board Committee, was circulated at the NC meeting for assessment. The NC reviewed the required mix of skills, experience and other qualities of the Board and Board Committees and agreed that they have the necessary mix of skill, experience and other qualities to serve effectively.

Notwithstanding the recommendation of the MCCG, the Company does not 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 MCCG's target. In addition, the Board also strives to broaden the diversity of the Board and KSM from time to time.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

5. **Board Composition** (Cont'd)

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

	Industry / Background Experience								By Composition						
									Age			Ethic		Gender	
Directors	Technology	Marketing	Precision Metal Industrial	Precision Stamping Industrial	Corporate	Accounting / Finance	Internal Audit	Law / Legal	20 – 29 years	50 – 59 years	60 – 69 years	Bumiputra	Chinese	Male	Female
Dato Dr. Mohd Sofi Bin Osman	√	√	√	√	√	√	√				√	√		√	
Yong Chan Cheah	√	√	√	√	√	√	√			√			√	√	
Dato' Jimmy Ong Chin Keng					√	√	√				√		√	√	
Yong Li-Xiang *(Appointed on 01 October 2025)*	√	√	√	√					√				√	√	
Najihah Binti Abas *(Appointed on 01 October 2025)*	√	√			√	√		√		√		√			√
Gor Siew Yeng *(Retired on 01 July 2026)*		√	√	√	√		√	√			√		√		√

<u>Time Commitment</u>
The Board meets on a quarterly basis with additional meetings held whenever necessary. During FY2026, the level of time commitment given by the Directors was satisfactory, which was evidenced by the attendance record of the Directors at the Board and Board Committees' meetings held.

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

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

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

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

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

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

CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

5. **Board Composition** (Cont'd)

The details of trainings attended by the Directors during FY2026 are as follows:

Director	Date	Description
Dato' Dr. Mohd Sofi Bin Osman	08/10/2025	Mental Health and Wellbeing Conference
	31/10/2025	Engagement session with Bursa Malaysia
Yong Chan Cheah	17/04/2025	MAIA : Avionics Workshop – Connecting Aerospace and E&E Synergy for Success
	24/06/2025	Penang SME Forum 2025 : Strategies for Scaling Up in a Competitive Market
	28/08/2025	Economic & Market Development Conference 2025
Dato' Jimmy Ong Chin Keng	26/03/2026	Strengthening ESG Governance, Compliance & Rating Readiness
Yong Li-Xiang *(Appointed on 01 October 2025)*	30/03/2026 – 31/03/2026	Radiation Safety Refresher - Competent Training
Najihah Binti Abas *(Appointed on 01 October 2025)*	08/12/2025 – 09/12/2025	Mandatory Accreditation Programme Part I
Gor Siew Yeng *(Retired on 01 July 2026)*	14/08/2025	AI for Workplace Optimization: Smarter Ways to Work with Copilot

6. **Remuneration**

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

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

The details of the Directors' remuneration comprising remuneration received/receivable from the Company and its subsidiaries during FY2026 are as follows:

Name of Directors	Fees RM	Salaries, Bonuses, EPF & Other Emoluments RM	Allowances RM	Employees' share option scheme expenses RM	Benefit-in-kinds RM	Total RM
Non-Executive						
Dato' Dr. Mohd Sofi Bin Osman	71,976	-	10,000	-	-	81,976
Dato' Jimmy Ong Chin Keng	59,976	-	21,000	5,805	-	86,781
Low Hee Chung *(Retired on 31 July 2025)*	15,995	-	8,000	7,739	-	31,734
Gor Siew Yeng *(Retired on 01 July 2026)*	49,980	-	19,750	5,805	-	75,535
Najihah Binti Abas *(Appointed on 01 October 2025)*	25,504	-	6,000	-	-	31,504

CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

6. **Remuneration** (Cont'd)

Name of Directors	Fees RM	Salaries, Bonuses, EPF & Other Emoluments RM	Allowances RM	Employees' share option scheme expenses RM	Benefit-in-kinds RM	Total RM
Executive						
Yong Chan Cheah	-	1,404,137	8,000	-	17,962	1,430,099
Yong Li-Xiang *(Appointed on 01 October 2025)*	-	110,266	3,000	-	-	113,266
Received/receivable from the Company	**223,431**	**1,514,403**	**75,750**	**19,349**	**17,962**	**1,850,895**
Non-Executive						
Dato' Dr. Mohd Sofi Bin Osman	-	-	-	-	-	-
Dato' Jimmy Ong Chin Keng	-	-	-	-	-	-
Low Hee Chung *(Retired on 31 July 2025)*	-	-	-	-	-	-
Gor Siew Yeng *(Retired on 01 July 2026)*	-	-	-	-	-	-
Najihah Binti Abas *(Appointed on 01 October 2025)*	-	-	-	-	-	-
Executive						
Yong Chan Cheah	-	-	-	86,761	-	86,761
Yong Li-Xiang *(Appointed on 01 October 2025)*	-	-	-	-	-	-
Received/receivable from the subsidiaries	**-**	**-**	**-**	**86,761**	**-**	**86,761**
Total Group	**223,431**	**1,514,403**	**75,750**	**106,110**	**17,962**	**1,937,656**

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

CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit, Sustainability and Risk Committee

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

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

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

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

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

2. Risk Management and Internal Control Framework

The Board fulfills its responsibilities in the risk governance and oversight functions through its Risk Management Committee ("**RMC**") in order to manage the overall risk exposure of the Group. The RMC assessed and monitored the efficacy of the risk management controls and measures taken, whilst the adequacy and effectiveness of the internal controls were reviewed by the ASRC in relation to internal audit function for the Group. The RMC comprises of the Group MD & CEO and management team who are familiar with the business operations of the Group. The Board is satisfied with the performance of the RMC and ASRC and their respective Chairperson in discharging their responsibilities, based on the results of the Board Committees Effectiveness Evaluation of the 2025/2026.

The Board is of the view that the internal control and risk management system in place during FY2026, 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.

3. Internal Audit Function

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

Information on the internal auditors and the internal audit activities during FY2026 are set out in the ASRC Report in this Annual Report.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT** (CONT'D)

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

1. Communication with Stakeholders

The Board recognises the importance and need for shareholders and stakeholders to be informed of all material development and performance of the Group. The information is disseminated through annual reports, circulars to shareholders, press releases, quarterly reports and announcements made from time to time to Bursa Securities. All material announcements are reviewed and endorsed by the ASRC (as applicable) and the Board prior to release to the public through Bursa Securities.

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

2. Conduct of General Meetings

The AGM of the Company is an important means of communicating with its shareholders. The notice of 23rd AGM held on 29 August 2025 was sent to the shareholders, proxies and corporate representatives at least twenty-eight (28) days prior to the meeting date and published in a major local newspaper. This ensures adequate time given to shareholders allows them to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney. Items of special business included in the notice of 23rd AGM were accompanied by an explanation of the proposed resolutions. All suggestions and comments put forth by shareholders, proxies and corporate representatives were noted by the Board for consideration.

The shareholders who were unable to attend the AGM in person were encouraged to appoint the Chairperson of the 23rd AGM to act as proxy to attend and vote at the 23rd AGM on their behalf by submitting the proxy form with pre-casted voting instruction.

All Directors and KSM were present at the 23rd AGM of the Company held on 29 August 2025. The Chairperson of the meeting also invited shareholders to raise questions pertaining to the Company's financial statements and other items for adoption at the meeting. The Directors, KSM and external auditors were in attendance to respond to the shareholders' queries.

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

This statement is made in accordance with a resolution of the Board dated 16 July 2026.

ADDITIONAL **DISCLOSURE REQUIREMENTS**

1. Utilisation of Proceeds Raised from Corporate Proposals

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

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

On 04 June 2025, the Board of Directors of the Company ("**Board**") announced its intention to vary the utilisation of proceeds raised from the Private Placement to deploy the funds more efficiently to part finance the Enovix project and meet working capital requirements ("**Variation**"). The Variation is necessary due to the extended utilisation period for the usage of raw materials for the Enovix project. As such, the balance proceeds can be better utilised for staff costs of the Enovix project and other working capital requirements.

As at 30 June 2026, the status of utilisation of proceeds raised from Private Placement is as follows:

Details of utilisation	Proceeds raised (RM)	Utilisation (RM)	Balance (RM)	Timeframe for the utilisation
Part finance the Enovix project	11,300,000	(11,300,000)	-	Within 12 months
Part finance the capital expenditure for precision machining and stamping segment	596,925	(443,186)	153,739	Within 12 months
Working capital requirements	7,107,874	(7,107,874)	-	Within 12 months
Defray estimated expenses in relation to the Private Placement	356,201	(356,201)	-	Immediate
Total	**19,361,000**	**(19,207,261)**	**153,739**	

On 29 July 2026, the Board announced to extend the timeframe for utilisation of balance proceeds to part finance the capital expenditure for precision machining and stamping segment, for an additional 7 months to 12 September 2026.

2. Audit and Non-Audit Fees

The amount of audit and non-audit fees incurred for services rendered to the Company and its subsidiaries ("**Group**") for the financial year ended 31 March 2026 ("**FY2026**") by the Company's external auditors, or a firm or company affiliated to the external auditors' firm are as follows:

Category	Audit Fees (RM)	Non-Audit Fees (RM)
Company	75,000	318,480*
Subsidiaries	142,500	-
Total	217,500	318,480

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

3. Material Contracts

There was no material contracts entered into by the Group involving the interests of the Directors and/or major shareholders, either still subsisting at the end of FY2026, or entered into since the end of the previous financial year.

ADDITIONAL **DISCLOSURE REQUIREMENTS** (CONT'D)

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

At the Extraordinary General Meeting held on 25 February 2016, the shareholders of the Company had approved the establishment of an ESOS of up to 30% of the issued and paid-up share capital (excluding treasury shares, if any) of the Company. The implementation of the ESOS is effective from 1 March 2016 with further extension from 1 March 2021 to 28 February 2026.

The ESOS scheme expired on 28 February 2026. As a result, all options granted have lapsed, and the ESOS Committee has been dissolved accordingly.

The total number of ESOS granted and the movement during FY2026 are set out below:

	Number of ESOS as at 31 March 2026					
	Balance as at 1 April 2025	Granted	Exercised	Transfer	Lapsed	Balance as at 31 March 2026
Directors	5,542,000	-	-	-	(5,542,000)	-
Employees	24,567,894	-	(48,000)	-	(24,519,894)	-
Total	**30,109,894**	**-**	**(48,000)**	-	**(30,061,894)**	**-**

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

Pursuant to the ESOS, not more than 60% of the options available under the scheme shall be allocated, in aggregate, to the Directors and senior management of the Group. Since the commencement of the scheme, 25% of the options available under the scheme have been granted to Executive Directors and Senior Management of the Company.

The table below sets out the options granted to and exercised by the Directors in office pursuant to the ESOS in respect of FY2026:

	Number of ESOS as at 31 March 2026				
	Balance as at 1 April 2025	Granted	Exercised	Lapsed	Balance as at 31 March 2026
Yong Chan Cheah	3,242,000	-	-	(3,242,000)	-
Dato' Dr. Mohd Sofi Bin Osman	300,000	-	-	(300,000)	-
Low Hee Chung *(Retired on 31 July 2025)*	350,000	-	-	(350,000)	-
Gor Siew Yeng *(Retired on 01 July 2026)*	300,000	-	-	(300,000)	-
Dato' Jimmy Ong Chin Keng	300,000	-	-	(300,000)	-
Yong Li-Xiang *(Appointed on 01 October 2025)*	1,050,000	-	-	(1,050,000)	-
Najihah Binti Abas *(Appointed on 01 October 2025)*	-	-	-	-	-

5. Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")

The information on RRPT for FY2026 is disclosed under Note 28 of the Audited Financial Statements for FY2026 in this Annual Report.

AUDIT, SUSTAINABILITY **AND RISK COMMITTEE REPORT**

The Board of Directors of YBS International Berhad ("**YBS**" or "**the Company**") ("**Board**") is pleased to present the Audit, Sustainability and Risk Committee ("**ASRC**" or "**Committee**") Report for the financial year ended 31 March 2026 ("**FY2026**"). This Report highlights the ASRC's activities and approach in fulfilling its responsibilities throughout the year.

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

MEMBERSHIP

As at FY2026, the ASRC comprised solely of Independent Non-Executive Directors ("**INED**") and their attendance at the ASRC meetings held during FY2026 are as follows:

			Attendance
Chairperson	:	Dato' Jimmy Ong Chin Keng	6/6
Members	:	Gor Siew Yeng	6/6
		Najihah Binti Abas	2/2

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

Following the retirement of Ms. Gor Siew Yeng on 01 July 2026, the ASRC comprised of 2 INEDs. The Board will fill the vacancy within 3 months in compliance with Rule 15.09(1)(a) of the ACE LR. No alternate director has been appointed as a member of the ASRC.

On 16 July 2026, the Nominating Committee conducted its annual evaluation of the ASRC's effectiveness and the performance of its members, as part of the broader annual assessment and evaluation of directors, Board and its Committees. The Nominating Committee concluded that the ASRC and its members have effectively discharged their functions, duties and responsibilities in accordance with the ASRC's Terms of Reference ("**TOR**") and have provided strong support to the Board in upholding sound corporate governance practices throughout the Group.

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

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

MEETINGS

A total of six (6) meetings were held during the financial year. All ASRC members attended all the meetings held during their respective tenure of office. The ASRC meetings were appropriately structured with detailed agendas and relevant board materials, which were distributed with sufficient notice.

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

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

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

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

ACTIVITIES OF THE AUDIT, SUSTAINABILITY AND RISK COMMITTEE

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

Financial Reporting

(1) Reviewed the Group's quarterly unaudited financial results and annual audited financial statements as well as appropriate announcements to the regulatory authorities, focusing on changes in or implementation of major accounting policies, significant and unusual events and compliance with the provision of the Companies Act 2016, ACE LR and applicable accounting standards approved by the Malaysian Accounting Standards Board before recommending the same to the Board for approval.

(2) Reviewed pertinent issues, which have or might have significant impact on the results of the Group, including receivables, inventory management, bank borrowings, investments and divestments and strategic operations of subsidiaries.

(3) Reviewed and discussed with Key Senior Management ("**KSM**") on financial budgets including capital expenditure proposal for the following year. The financial budget is subject to reviews half yearly whereby comparisons of approved targets against actual performance are made.

External Auditors

(4) Discussed the audit plan, scope of work/audit and reporting obligations as well as proposed audit fees for the financial year under review with the external auditors before commencement of audit engagement.

(5) Reviewed and discussed with the external auditors on the findings and results of the audit and significant audit/accounting issues.

(6) Responded to external auditors' inquiries and recommendations, if any, to ensure compliance with the various approved accounting standards in the preparation of the Group's financial statements.

(7) Appraised the suitability and performance of the external auditors vis-a-vis independence, objectivity, quality and robustness of the audit engagement and report furnished, level of understanding demonstrated of the Group's business and communication about new and applicable accounting practices and auditing standards and its impact to the Group's financial statements as well as competency of the engagement team and made recommendation to the Board on their re-appointment and fixing their remuneration.

    The external auditors provided written assurance to the ASRC confirming that their independence throughout the audit engagement, in line with all relevant professional and regulatory requirements. The ASRC also reviewed the non-audit services provided by the external auditors and its network firms during FY2026. These services primarily included the annual review of the Statement of Risk Management and Internal Control, as well as non-recurring work related to the re-audit of the proposed acquisition of 100% equity interests in Allied Precision Technologies (M) Sdn. Bhd., Allied Precision (Thailand) Co., Ltd., Allied Precision Manufacturing (M) Sdn. Bhd., and Allied Technologies (Saigon) Co., Ltd.. Given the nature and scope of these non-audit services, the ASRC was satisfied that the external auditors' independence was not impaired by the provision of such non-audit services to the Group.

(8) Met twice (2) with the external auditors in the absence of the executive Board members and management staff to discuss issues of concern to the auditors arising from the annual statutory audit.

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

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

Internal Audit ("IA")

(9) Reviewed and approved the annual IA plan and the scope of work to ensure relevance and comprehensive coverage of the activities of the Group based on risks assessment and adequacy of resources to carry out the engagement. Received assurance that the IA team has taken a risk approach in drafting and finalising the IA plan.

(10) Deliberated on the IA reports at each ASRC quarterly meeting held during the financial year under review. The ASRC noted the audit recommendations made and management's response and actions taken to improve system of risk management and internal controls, including the implementation status of management agreed on actions to address findings highlighted in previous quarters of IA. The ASRC has, where appropriate, directed management to improve further on control procedures and workflow processes.

(11) Reviewed and assessed performance of the IA function focusing on adequacy of resources (including necessary authority and resource requirements) and competency to carry out assignment on key business units as well as support functions of the Group. The IA function is outsourced to JWC Consulting Sdn. Bhd. ("**JWC**"), an independent professional consulting firm.

Corporate Governance

(12) Reviewed and recommended the ASRC Report and Statement of Risk Management and Internal Control for Board's approval for inclusion in the Annual Report 2025.

(13) Noted that there were no whistleblowing and anti-bribery & corruption cases received by the Group through the whistleblowing communication channel.

Conflict of Interest ("COI")

(14) Assessed and reported to the Board on disclosures of COI and/or potential COI of Directors and KSM including measures taken to resolve, eliminate or mitigate such conflicts in accordance with the Group's COI Policy.

Risk Management

(15) Reviewed the Risk Management Report together with Risks Register which detailed the risk status in the Group and the Management's responses to significant risk areas and proposed recommendations for mitigation from the Risk Management Committee ("**RMC**").

(16) Assessed the adequacy and effectiveness of the risk management and internal control system.

INTERNAL AUDIT FUNCTION

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

The cost incurred for the internal audit function for FY2026 was RM49,500.

During FY2026, the JWC presented its findings together with recommendations and management action plans to the ASRC on 22 May 2025, 29 August 2025, 28 November 2025 and 26 February 2026. At these meetings, the ASRC also deliberated on the implementation of the management action plans on outstanding issues on a quarterly basis to ensure that all key risks and control weaknesses are properly addressed until fully resolved and rectified.

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

INTERNAL AUDIT FUNCTION (CONT'D)

The IA engagements carried out across the Group in FY2026 focused on the following areas of audit:

Company	Audit Areas	Reporting Dates
Orifast Solutions Sdn. Bhd.	• Human Resources Management	22 May 2025
Oriental Fastech Manufacturing Sdn. Bhd., Orifast Solutions Sdn. Bhd. and Bumblebee Eco Solutions Sdn. Bhd.	• Management Information Systems (Enterprise Resource Planning (“**ERP**”) System)	29 August 2025
Edaran Precision Industries Sdn. Bhd. and Edaran Interconnect Sdn. Bhd.	• Sales and Marketing	28 November 2025
Oriental Fastech Manufacturing Sdn. Bhd.	• Conversion and Production (Printed Circuit Board Assembly (“**PCBA**”) division)	26 February 2026

The ASRC approved the IA Plan for FY2027 tabled by JWC after due deliberation of the feedback from management and advice from the JWC.

RISK MANAGEMENT AND INTERNAL CONTROL

On 22 May 2025 and 28 November 2025, the ASRC deliberated on the Risk Management Reports tabled by the RMC, focusing on risks assessment given the changing business environment, summary of action plans and action taken by the management and update of Risks Register.

The ASRC had reviewed and approved the Statement on Risk Management and Internal Control in respect of FY2026 on 16 July 2026 for publication in the Annual Report 2026. Information pertaining to the Company’s internal controls is shown in the Statement on Risk Management and Internal Control set out in the Annual Report 2026.

This statement is made in accordance with the resolution of the Board dated 16 July 2026.

STATEMENT ON **DIRECTORS' RESPONSIBILITIES**

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

In preparing these financial statements for the financial year ended 31 March 2026, the Directors have considered the following:

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

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

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

This statement was made in accordance with a resolution of the Board dated 16 July 2026.

SUSTAINABILITY **STATEMENT**

Introduction

YBS International Berhad ("YBS" or the "Company") and its subsidiaries (collectively, the "Group") present its Sustainability Statement for the financial year ended 31 March 2026 ("FY2026"). This Statement outlines the Group's sustainability approach, key initiatives and performance during the year, and reflects its continued commitment to integrating sustainability considerations into its business strategy and operations.

This Statement has been prepared in accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), with reference to the Sustainability Reporting Guide (3rd Edition). It should be read in conjunction with other sections of this Annual Report.

Reporting Period

This Statement covers the financial year from 1 April 2025 to 31 March 2026. Where applicable, comparative information from prior years is included to provide context and facilitate trend analysis.

Scope and basis of scope

This Statement covers the Group's key operations for FY2026, excluding dormant entities and newly acquired subsidiaries that became part of the Group subsequent to the reporting period.

Assurance

This Statement has not been subjected to an external assurance process. Nevertheless, the performance data disclosed herein has been reviewed by the internal operations and management team.

Availability

This Statement is available on our Company's website at www.ybsinternational.com in a downloadable PDF format.

Point of contact

We welcome and encourage our stakeholders to provide feedback pertaining to this Statement. Comments and questions can be directed to our designated email address at investorrelation@ybsinternational.com.

Sustainability Governance

The Group is committed to conducting business responsibly through the integration of Environmental, Social and Governance ("ESG") considerations into its governance framework and business processes, with the aim of creating long-term value, resilience and sustainable performance for its shareholders and stakeholders.

The Group has established a Sustainability Policy, anchored in our core values, vision and mission, to strengthen our ESG performance and disclosures and support long-term sustainability. The Sustainability Policy is available on the Company's website at www.ybsinternational.com. It has been approved by the Board of Directors ("Board") and is subject to annual review.

The Board, supported by the Audit, Sustainability and Risk Committee ("ASRC"), is responsible for overseeing the Group's sustainability matters. The Board reviews and adopts the Group's strategic plans to ensure the sustainability of its business operations and to support long-term value creation. Together with Management, the Board provides oversight on sustainability governance, including the setting of strategies, priorities and targets relating to economic, environmental and social considerations. The Board also ensures that these matters, including performance against targets, are effectively communicated to both internal and external stakeholders.

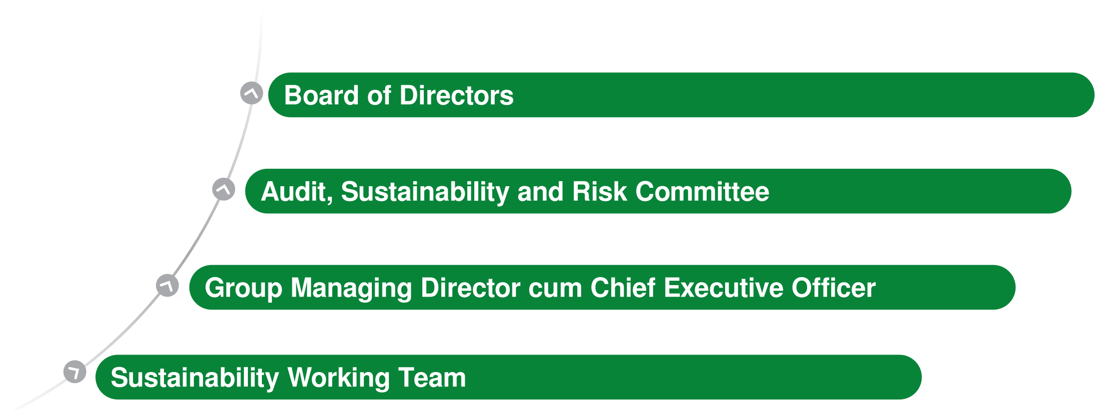
SUSTAINABILITY **STATEMENT** (CONT'D)

Sustainability Governance (Cont'd)

The Group Managing Director ("MD") cum Chief Executive Officer ("CEO"), Mr Yong Chan Cheah, leads the Group's sustainability initiatives. He engages with internal and external stakeholders in the development of sustainability strategies, priorities and targets, and oversees the monitoring and reporting of performance against these targets. The CEO also provides direction and guidance to the Sustainability Working Team ("SWT") at the operational level to support its oversight of the Group's sustainability initiatives and performance.

The SWT comprises Heads of Departments ("HODs") and/or representatives from various departments, who are responsible for executing the Group's day-to-day sustainability initiatives and action plans.

The diagram below illustrates the Group's sustainability governance structure:



Governance Structure	Roles and Responsibilities
Board of Directors	• Provide general leadership, direction and oversight of the Group's overall Sustainability Framework. • Provide advice and approve sustainability strategy (review periodically) and ensure all business strategies and major business operations are embedded with sustainability considerations. • Conduct periodic reviews of the material sustainability matters (at least once a year) and approve material sustainability matters, indicators and targets, performance and annual sustainability disclosures.
Audit, Sustainability and Risk Committee	• Responsible for the overall governance of our sustainability strategies and performance. • Facilitate the sustainability strategy (review periodically) and ensure all business strategies and major business operations are embedded with sustainability considerations. • Ensure key decisions on sustainability matters are made and aligned with our Group's overall business strategies and goals. • Determine the adequacy of the response and the current standing and performance of the material sustainability matters of the Group. • Review all sustainability-related policies and initiatives, key sustainability risks and opportunities for sustainability practices across all business operations. • Review and ensure adequate resources are made available for the successful implementation of sustainability strategies and initiatives. • Review and report sustainability progress and performance to the Board.

SUSTAINABILITY **STATEMENT** (CONT'D)

Sustainability Governance (Cont'd)

Governance Structure	Roles and Responsibilities
Group Managing Director cum Chief Executive Officer	• Leads the Group's overall sustainability agenda and initiatives. • Engages with internal and external stakeholders in developing sustainability strategies, priorities and targets. • Oversees the monitoring and reporting of the Group's sustainability performance against established targets. • Provides strategic direction and guidance on sustainability matters across the Group. • Guides and supports the SWT at the operational level. • Ensures effective oversight of the Group's sustainability initiatives and performance through the SWT.
Sustainability Working Team	• Prepare the reports for material sustainability matters, sustainability progress, performance indicators and targets, and performance and annual sustainability disclosures. • Implement the integration of sustainability management into our Group's business strategy and goals. • Implement sustainability strategies, sustainability-related policies, initiatives, sustainability risks and opportunities for sustainability practices across all business operations. • Set sustainability performance indicators and perform data gathering, compiling and reporting. • Track the targets of sustainability indicators and progress performance indicators.

Materiality Assessment

Our material assessment encompasses three (3) key steps as outlined below :

Step 1 : Identification of sustainability matters
- Identify key stakeholders and understand their needs and expectations pertaining to sustainability-related impacts
- Derive preliminary list of sustainability matters

Step 2 : Prioritisation of materiality assessment matters
- Apply materiality concept and undertake stakeholder engagement in prioritisation
- Disclose prioritised material sustainability matters in a manner which illustrates the relative importance of each material sustainability matter

Step 3 : Review and validation of process and outcome
- Review and approve the outcome of materiality assessment

We recognise that material sustainability issues can significantly influence our ability to create long-term value for stakeholders. In line with this, a comprehensive materiality assessment including stakeholder prioritisation was conducted for the FY2025. The assessment covered key stakeholder groups such as shareholders, employees, customers, suppliers, and government/regulatory bodies.

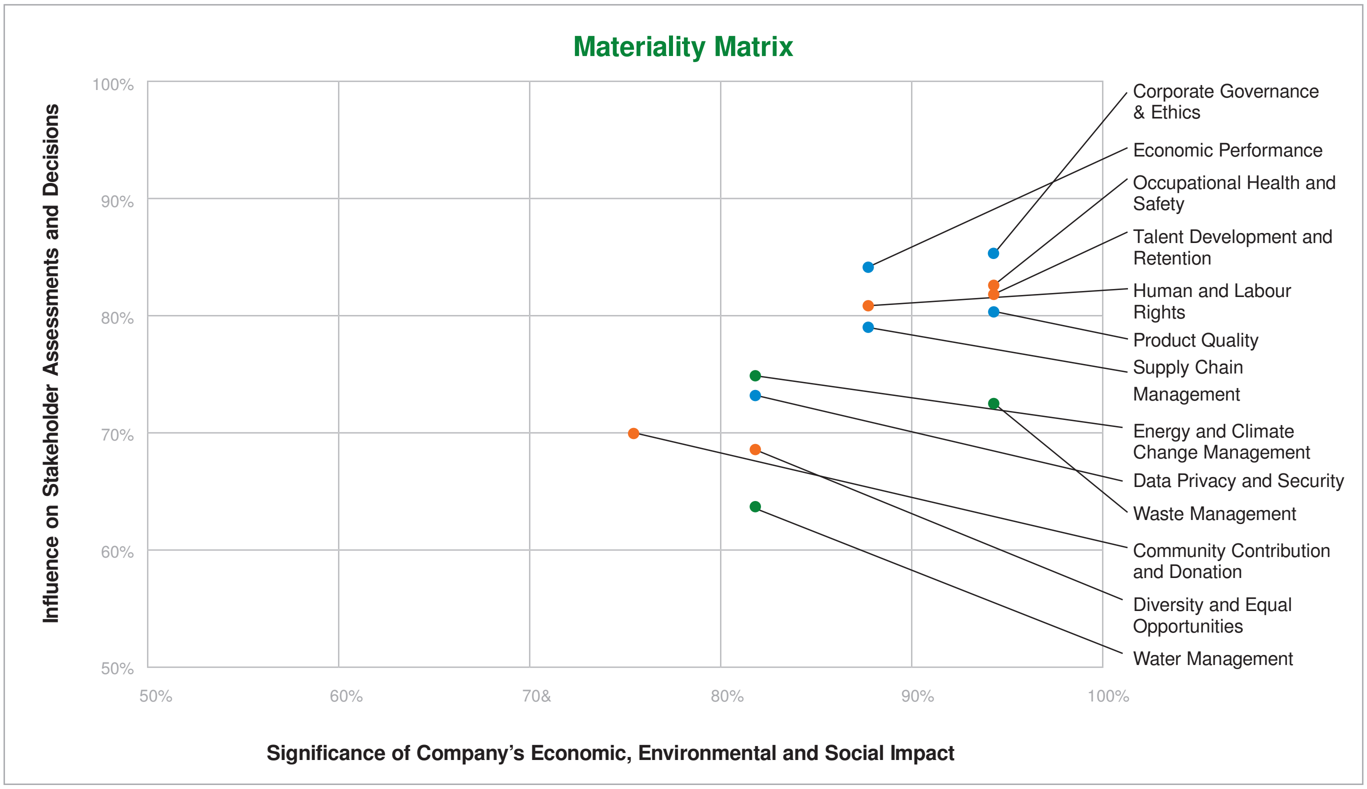
To gather relevant insights, a structured survey was developed as the primary tool for data collection. Rather than conducting direct engagements with external stakeholders, the assessment relied on HODs and/or designated representatives who regularly interact with these stakeholders. Leveraging their ongoing engagement and operational knowledge, they provided informed perspectives on stakeholder expectations and emerging concerns. For the internal Group perspective, input was gathered from C-Suite members, ensuring that the assessment reflected the Group's strategic direction and business priorities. Based on the survey results, we plotted a materiality matrix to illustrate the relative importance of each material sustainability matter from the perspectives of both stakeholders and the Group. In FY2026, we have performed internal review and concluded that the materiality assessment performed in FY2025 remains valid and relevant for us to manage.

SUSTAINABILITY **STATEMENT** (CONT'D)

Materiality Assessment (Cont'd)

Our Material Matters

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



SUSTAINABILITY **STATEMENT** (CONT'D)

Engaging with our stakeholders

The Group recognises that stakeholders are key to its continued success and long-term business sustainability. By maintaining effective and transparent communication channels, the Group is able to better understand and address stakeholders' interests and concerns.

The table below summarises the various types of stakeholder engagement:

Stakeholders	Material Matters	Method of Engagement	Frequency of Engagement
Shareholders	• Economic Performance	• Annual General Meeting and Annual Report • Quarterly Results Announcement • Corporate Website	• Annual / Quarter / Ongoing
Government and Regulatory Bodies	• Corporate Governance and Ethics • Energy and Climate Change Management • Water Management • Waste Management	• Report Submission • Communication for Updates • Audit or Inspection Visit by Authorities	• Annual / Ongoing
Suppliers/ Contractors/ Consultants	• Supplier Chain Management	• Annual Evaluation and Performance Review • Regular Meetings and Correspondence • Site Inspection Exercise • Contract Negotiation	• Annual / Ongoing
Customers	• Product Quality • Data Privacy and Security	• Customer Satisfaction Survey • Frequent Customer Engagement and Interaction • On-site Factory Visit	• Annual / Ongoing
Employees	• Diversity and Equal Opportunities • Talent Development and Retention • Human and Labour Rights • Occupational Health and Safety	• Training and Development • Performance Appraisal Exercise • Corporate Events and Internal Communications	• Annual / Ongoing
Local community	• Community Contribution and Donation	• Donations • Community or engagement programme	• Ongoing

SUSTAINABILITY **STATEMENT** (CONT'D)

Sustainability Targets and Data

Sustainability Pillars and Matters	Targets and Goals	FY2026 Performance
Economic		
• Economic Performance • Supply Chain Management • Product Quality	• Deliver financial values to shareholders such as growth in revenue and earnings and dividend payout • Promote purchases from local suppliers • Deliver products of consistent quality to fulfil customer requirements and enhance satisfaction	• For the FY2026, our revenue increase from RM118.5 million to RM149.5 million marking 26% increase from preceding year • 91% purchase from local suppliers • No major product quality issue
Environmental		
• Energy and Climate Change Management • Water Management • Waste Management	• Effective in energy, climate change, water and waste management	• 30,772,922 kWh of electricity, 28,780 litre of petrol and 283,920 litre of diesel used • 48,468 m^3 of water consumed • 852.35 metric tonnes of waste generated with 782.21 metric tonnes being diverted from disposal and 70.14 metric tonnes being directed to disposal
Social		
• Diversity and Equal Opportunity • Talent Development and Retention • Human and Labour Rights • Occupational Health and Safety • Community Contribution and Donation	• Promote diversity and inclusivity in the workplace • Zero cases of work-related fatalities and ensure workforce is trained on health and safety standards • Zero substantiated complaints concerning human rights violations • Contribute to the well-being and living standard of the local community	• 33% of the Board is represented by female • 3 cases of work-related fatalities and 498 employees of workforce trained on health and safety standards • Zero substantiated complaints concerning human rights violations • Contributed a total RM73,626 in Corporate Social Responsibility ("CSR") program
Governance		
• Corporate Governance and Ethics • Data Privacy and Security	• Zero confirmed incidents of corruption. Strengthen ethical standards through anti-corruption training and policies • Zero substantiated complaints concerning breaches of customer privacy and losses of customer data	• Zero confirmed incidents of corruption • Zero substantiated complaints concerning breaches of customer privacy and losses of customer data

SUSTAINABILITY **STATEMENT** (CONT'D)

ECONOMIC PERFORMANCE

In managing economic sustainability, the Group focuses on several key areas to support long-term success. The Group conducts its business in a transparent and accountable manner to build trust and strives to achieve sustained commercial performance and high levels of customer satisfaction. To support informed decision-making, the Group enhances the availability of ESG information. It also promotes sustainable products through responsible resource consumption and efficient utilisation in its operations. In addition, the Group continuously improves its management systems to enhance operational efficiency and service delivery, while maintaining timely, transparent and meaningful engagement with shareholders and stakeholders.

Customer satisfaction & product quality

The Group recognises that customer satisfaction is fundamental to its long-term sustainability and success. To meet customer expectations, the Group is committed to delivering high-quality products and services. It actively engages with customers through regular visits, meetings and satisfaction surveys to better understand their evolving needs. These engagements enable the Group to assess satisfaction levels, gather valuable feedback and identify opportunities for continuous improvement, ensuring that its products, services and approach remain responsive and aligned with customer expectations.

The Group maintains active memberships with key industry and business associations, including the Penang Chinese Chamber of Commerce, the American Malaysian Chamber of Commerce (“AMCHAM”), the Federation of Malaysian Manufacturers (“FMM”), and the Malaysia Semiconductor Industry Association (“MSIA”). Through these affiliations, the Group stays engaged with industry developments, regulatory updates and collaborative initiatives, while contributing to the advancement of responsible and sustainable business practices within the broader business community.

The Group maintains internationally recognised certifications to ensure high standards across its operations, including ISO 9001:2015 for Quality Management Systems, ISO 14001:2015 for Environmental Management Systems, and ISO 45001:2018 for Occupational Health and Safety Management Systems. In addition, the Group is certified under AS9100 Rev D (equivalent to JISQ 9100:2016 / EN 9100:2018) for the manufacture of precision machined parts for the aerospace industry, as well as IATF 16949:2016, certified by NQA, for automotive quality management. The Group is also in the process of obtaining ISO 13485 certification for medical device quality management. These certifications reflect the Group’s commitment to quality, environmental stewardship, workplace safety, and compliance with industry-specific standards.

The Group’s new factory development in Prai is progressing well, with renovation works advancing according to plan. Upon completion, the facility is expected to enhance the Group’s production capacity and support the expansion of its product portfolio towards higher value-added offerings.

Supply Chain Management

The Group is committed to supporting the sustainability of the local economy by prioritising the engagement of local suppliers where feasible. The Group recognises that local sourcing not only strengthens community-based businesses but also helps reduce environmental impact by minimising carbon emissions associated with long-distance transportation.

To guide its procurement practices, the Group has established a Purchasing Policy that outlines the procedures for sourcing, assessment, selection and evaluation of suppliers. As part of this process, the Group conducts quotation comparisons and performs due diligence to assess the capabilities and suitability of potential suppliers. All Purchase Requisitions and Purchase Orders are reviewed and approved in accordance with the Group’s internal approval matrix to ensure proper governance, compliance and accountability.

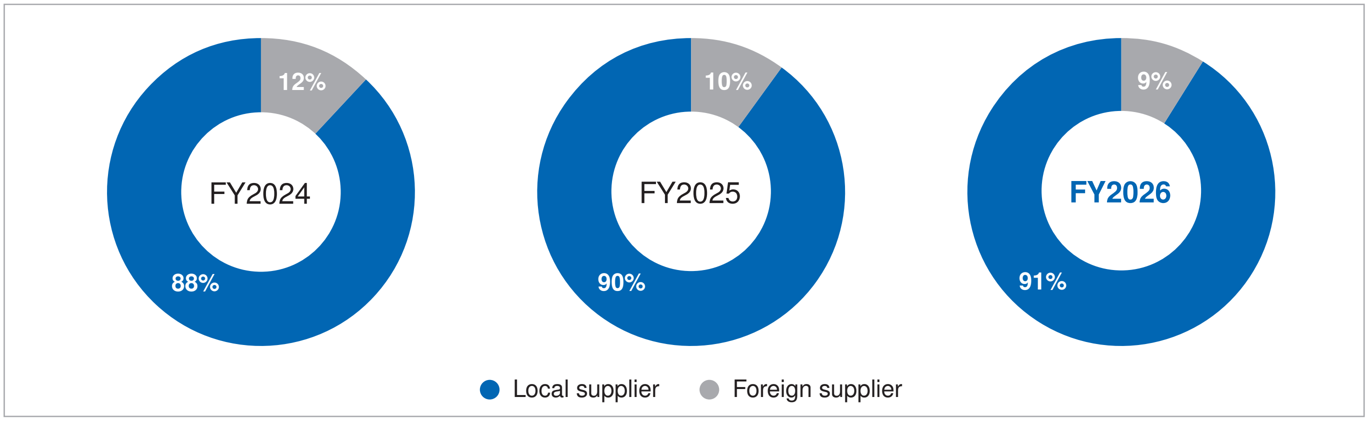
Supplier selection is conducted based on objective and transparent criteria, including quality, reliability, cost-effectiveness and sustainability. Where practicable, priority is given to local sourcing in line with the Group’s commitment to environmental and socio-economic sustainability.

SUSTAINABILITY **STATEMENT** (CONT'D)

ECONOMIC PERFORMANCE (CONT'D)

The proportion of our spending with local and foreign suppliers are tabulated as below:

	Unit	FY2024	FY2025	FY2026
Local supplier	%	88	90	91
Foreign supplier	%	12	10	9



To uphold responsible and ethical procurement practices, the Group has established a Supplier Code of Conduct outlining its expectations in areas such as business ethics, labour practices and environmental stewardship. Compliance with this Code, including formal acknowledgement, is a prerequisite for all suppliers.

To ensure continued alignment with the Group's standards and expectations, regular evaluations of supplier performance are conducted. These assessments are based on defined criteria, including product quality, delivery reliability, price competitiveness, adherence to sustainability standards, and commitment to continuous improvement. Where necessary, on-site audits are carried out to verify compliance and assess operational practices. The outcomes of these evaluations are communicated to suppliers in a timely manner, enabling corrective actions and continuous improvement initiatives to be implemented where required. This proactive approach enhances accountability and supports the development of a more resilient and responsible supply chain.

ENVIRONMENT PERFORMANCE

The Group is committed to safeguarding the environment and continuously strives to minimise any adverse impacts arising from its operations on the surrounding community and ecosystem. Recognising the environmental implications of its daily activities, the Group conducts its operations in an environmentally responsible manner. This includes pursuing manufacturing excellence through the implementation of sustainable practices, as well as the ongoing review and enhancement of internal controls and standard operating procedures.

To support this commitment, the Group's manufacturing plants are accredited with ISO 14001, an internationally recognised standard for Environmental Management Systems. This certification reflects the Group's structured approach to managing its environmental responsibilities in support of long-term sustainability.

During the financial year, environmental audits were conducted in accordance with ISO 14001 requirements, focusing on key environmental aspects, associated risks and the Group's environmental objectives. In line with these standards, robust monitoring systems are in place to track and manage areas such as noise exposure, air emissions, scheduled waste disposal and sewage discharge, ensuring compliance with applicable environmental laws and regulatory requirements.

The Group has also established a dedicated Kaizen team to drive continuous improvement initiatives across its operations. While these initiatives cover a broad range of process enhancements, several have directly contributed to reducing the Group's environmental footprint, including improvements in energy efficiency and waste reduction. In addition to environmental benefits, these initiatives have generated operational cost savings, reinforcing the value of continuous improvement in supporting both sustainability and business performance.

SUSTAINABILITY **STATEMENT** (CONT'D)

ENVIRONMENT PERFORMANCE (CONT'D)

Energy and Climate Change Management

Climate change remains one of the most pressing global challenges, largely driven by greenhouse gas emissions from energy consumption. As a responsible corporate citizen, the Group recognises the importance of reducing its carbon footprint and improving energy efficiency to support a more sustainable future. In this regard, the Group is committed to minimising energy consumption and carbon emissions by promoting environmentally responsible practices, including energy-saving measures across its operations.

Some of the key initiatives include:

- **Monthly monitoring**: energy consumption is tracked monthly and any unusual deviations are promptly investigated and addressed.
- **Employee awareness**: employees are educated to switch off air-conditioning and lights during breaks and after office hours. Employees are encouraged to avoid unnecessary energy use, contributing to a reduction in the Group's overall carbon footprint.
- **Machinery upgrade and maintenance**: we upgrade our machineries periodically, supported by structured maintenance programs designed to optimise operational efficiency and reduce energy consumption.
- **LED lighting:** LED lighting is installed throughout our facility to reduce energy consumption.
- **Tree planting:** the Group supports tree planting initiatives as part of its efforts to address climate change, recognising their role in carbon sequestration. Tree planting activities have been carried out within the Group's factory premises to help offset operational emissions, while contributing to a greener and more sustainable environment.
- **Purchase of Renewable Energy Certificates ("RECs")** : in supporting its efforts to reduce greenhouse gas emissions, the Group has procured International Renewable Energy Certificates ("IRECs") to substantiate the use of renewable electricity under the market-based approach for Scope 2 emissions reporting. The IRECs represent renewable energy generated from sources such as solar and hydroelectric power, allowing the Group to attribute a portion of its electricity consumption to renewable sources. This initiative forms part of the Group's broader commitment to reducing its carbon footprint and transitioning towards more sustainable energy practices.

The purchase of renewable energy is summarised as follows :

	Unit	FY2024	FY2025	FY2026
Electricity generated from renewable sources	kWh	-	447,000	10,367,137

The total energy consumption is summarised below:

	Unit	FY2024	FY2025	FY2026
Electricity	kWh	9,605,483	24,864,888	30,772,922
Petrol	Litre	26,156	29,136	28,780
Diesel	Litre	382,200	207,480	283,920

SUSTAINABILITY **STATEMENT** (CONT'D)

ENVIRONMENT PERFORMANCE (CONT'D)

Water Management

Water scarcity and inefficient water usage remain significant global environmental concerns. While the Group's operations are not currently located in water-stressed areas, the Group recognises the importance of water conservation in protecting natural ecosystems and supporting operational efficiency, as well as its long-term sustainability objectives.

The Group sources its water exclusively from established municipal water supply providers with reliable and well-developed distribution infrastructure. It does not extract water from surface sources, such as rivers, lakes or natural ponds, nor from groundwater sources, including wells, boreholes, quarry water or seawater. A wastewater treatment system is in place to ensure that all discharged water meets the required standards prior to release into the industrial zone's treatment system.

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

The water consumption is summarised as follows:

	Unit	FY2024	FY2025	FY2026
Water	m^3	29,615	33,564	48,468

Waste Management

Improper waste disposal contributes to environmental pollution and resource depletion. As such, the Group ensures that waste is managed responsibly and efficiently. Through effective waste management practices, the Group supports a circular economy while minimising its environmental impact. The Group is committed to reducing waste generation, maximising recycling efforts and ensuring the proper disposal of non-recyclable waste in compliance with applicable environmental regulations.

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

- **Waste segregation and collection:** Used materials such as papers or paper cartons are reused, where possible, or collected by scrap collector to recycling centre.
- **Responsible disposal:** Non-recyclable waste is disposed of responsibly in compliance with regulatory requirements through appointed waste contractor.
- **Print reduction policies:** Employees are encouraged to limit printing and photocopying.
- **Sustainable printing:** Where printing is necessary, staff are urged to use double-sided printing and recycled paper.
- **Digitalisation**: The Group also encourages a paperless working environment and practise online E-payment to suppliers, E-notification from human resource department to all employees and E-Annual Report to shareholders. Printed copies of the Annual Report are made available upon request to shareholders who prefer physical copies.

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

	Unit	FY2024	FY2025	FY2026
Waste generated	Metric tonnes	816.05	962.03	852.35
Waste diverted from disposal	Metric tonnes	801.67	945.90	782.21
Waste directed to disposal	Metric tonnes	14.38	16.13	70.14

SOCIAL PERFORMANCE

The Group recognises that a dedicated and motivated workforce is essential to its long-term success. It places strong emphasis on supporting its employees, whose engagement and commitment are key to achieving operational excellence. In managing social sustainability, the Group prioritises the creation of a safe, ethical and inclusive workplace environment for all employees.

Beyond its workforce, the Group is also committed to contributing to the well-being of the broader community through various initiatives, including corporate social responsibility programmes, employee volunteerism, job creation and blood donation activities.

Diversity and Equal Opportunities

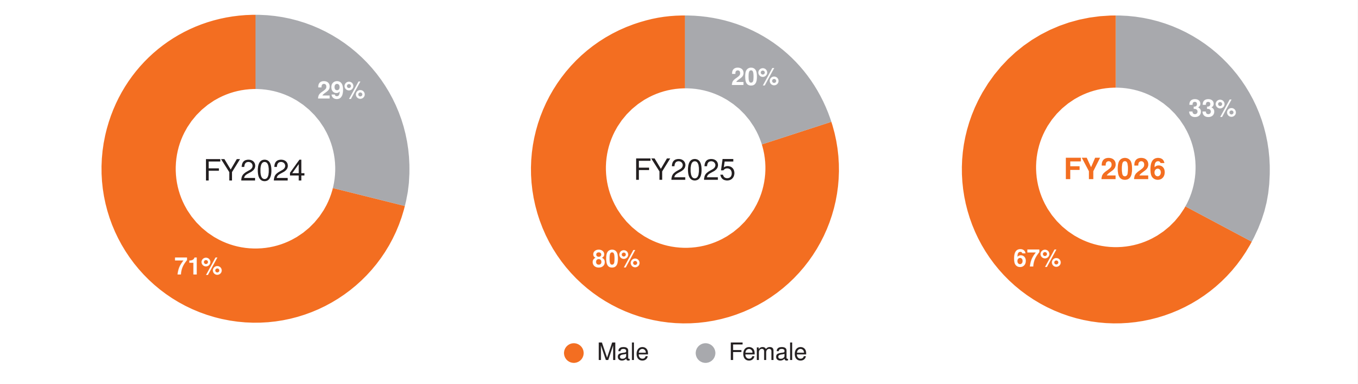
The Group recognises that diversity is both a social imperative and a strategic enabler that drives innovation, enhances decision-making and supports long-term sustainability. A diverse and inclusive organisation is better positioned to address complex challenges, reflect the communities it serves, and build a resilient and responsible future.

The Group is committed to fostering an inclusive, equitable and respectful environment, where individuals of all backgrounds—regardless of race, ethnicity, gender, age, disability, sexual orientation, religion or socio-economic status—are valued, empowered and provided with equal opportunities to develop and succeed.

This commitment extends across all levels of the Group, including the Board of Directors. The Group recognises that diverse perspectives and experiences contribute to stronger governance, enhanced strategic oversight and improved organisational performance. To support this, the Nominating Committee conducts an annual review of the Board's composition, structure and size, taking into consideration factors such as gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and tenure. Based on this assessment, the Committee makes recommendations to the Board to strengthen its overall composition and effectiveness.

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

	FY2024		FY2025		FY2026	
	Pax	%	Pax	%	Pax	%
Male	5	71%	4	80%	4	67%
Female	2	29%	1	20%	2	33%
Age						
Below 30	0	0%	0	0%	1	16%
30-50	2	29%	0	0%	0	0%
Above 50	5	71%	5	100%	5	84%



To reinforce its commitment to diversity and equal opportunity, the Group has established fair and transparent practices across all stages of the employee lifecycle, including recruitment, hiring, training and promotion. These processes are designed to eliminate discrimination, unconscious bias and systemic barriers, ensuring that all individuals are assessed based on their skills, experience and potential.

The Group maintains a zero-tolerance approach towards any form of harassment, discrimination or inappropriate conduct in the workplace. It is committed to fostering a safe, respectful and inclusive environment, where all individuals are valued and empowered to contribute, recognising that this requires a collective responsibility across the organisation.

SUSTAINABILITY **STATEMENT** (CONT'D)

SOCIAL PERFORMANCE (CONT'D)

As at FY2026, we have a total of 936 employees. Our employee distribution is summarised as follows:

	FY2024		FY2025		FY2026	
	Pax	**%**	**Pax**	**%**	**Pax**	**%**
Gender						
Male	556	66%	567	63%	610	65%
Female	288	34%	329	37%	326	35%
Age						
Below 30	392	46%	409	46%	393	42%
30-50	395	47%	419	47%	476	51%
Above 50	57	7%	68	8%	67	7%
Employee Category						
Executive	149	18%	149	17%	160	17%
Non-Executive	642	76%	691	77%	723	77%
Manager and above	53	6%	56	6%	53	6%
Gender by Employee Category						
Executive - Male	72	48%	66	44%	73	46%
Executive – Female	77	52%	83	56%	87	54%
Non-Executive – Male	451	70%	461	67%	502	69%
Non-executive – Female	191	30%	230	33%	221	31%
Manager and above – Male	33	62%	40	71%	35	66%
Manager and above - Female	20	38%	16	29%	18	34%
Age by Employee Category						
Executive – Below 30	31	21%	32	21%	40	25%
Executive – 30-50	103	70%	101	68%	100	63%
Executive – Above 50	14	9%	16	11%	20	12%
Non-Executive – Below 30	359	56%	375	54%	351	49%
Non-Executive – 30-50	261	41%	290	42%	352	49%
Non-Executive – Above 50	23	4%	26	4%	20	2%
Manager and above – Below 30	2	4%	2	4%	2	4%
Manager and above – 30-50	31	58%	28	50%	24	45%
Manager and above – Above 50	20	38%	26	46%	27	51%
Employment Type						
Permanent employees	814	96%	879	98%	922	98%
Contractors or temporary employees	30	4%	17	2%	14	2%

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL PERFORMANCE (CONT'D)

Talent Development and Retention

The Group recognises that its employees are its most valuable asset and a key driver of long-term success, and remains committed to human capital development. The Group continues to invest in its workforce by fostering a culture of continuous learning and professional growth, enabling employees to realise their full potential.

To support this, the Group provides a range of on-the-job training opportunities, including both internal programmes and external learning initiatives, aimed at equipping employees with the skills, knowledge and competencies required to perform their roles effectively. Beyond operational readiness, these initiatives also support employees' career development and personal growth, contributing to a workforce that is agile, empowered and future-ready.

The total hours of training by employee category :

	Unit	FY2024	FY2025	FY2026
Executive	Hours	1,643.50	2,081.00	3,122.55
Non-Executive	Hours	1,563.50	3,335.00	9,555.00
Manager and above	Hours	428.50	266.00	1,313.30

The Group strives to foster a workplace culture that supports employee well-being, inclusion and long-term engagement. It offers market-aligned remuneration, incentives and benefits designed to promote both financial security and overall well-being. In addition, the Group conducts regular engagement surveys and feedback sessions to better understand employee needs and continuously enhance workplace practices.

In FY2026, Oriental Fastech Manufacturing (Vietnam) Co., Ltd. conducted an Employee Engagement and Workplace Compliance Survey, achieving a 100% participation rate with all 73 employees taking part. The survey was administered online via QR code and comprised 22 questions covering key areas such as employee benefits, occupational health and safety, working conditions, work environment and labour relations. The results reflected a high level of employee satisfaction, with an average score of 96.6%. Strong performance was observed across key indicators, including full compliance with overtime payment (100%), absence of workplace harassment (100%), provision of adequate personal protective equipment (97.3%), safety training (98.6%), and clarity of working procedures (97.3%). These outcomes underscore the company's strong commitment to employee welfare, workplace safety and a positive working environment.

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

	Unit	FY2024	FY2025	FY2026
Executive	Number	41	23	40
Non-Executive	Number	153	85	329
Manager and above	Number	18	9	24

We actively organise a variety of employee engagement activities throughout the year to foster a positive and collaborative work environment.

SUSTAINABILITY **STATEMENT** (CONT'D)

SOCIAL PERFORMANCE (CONT'D)

SOCIAL PERFORMANCE (CONT'D)

Human and Labour Rights

The Group is committed to respecting and upholding fundamental human and labour rights as part of its responsibility to operate ethically and sustainably. It recognises its role in promoting dignity, fairness and equality across its workforce and value chain. The Group strictly prohibits all forms of forced and child labour in its operations and supply chain.

The Group ensures that all employees are provided with a safe, healthy and respectful working environment, and complies with all applicable wage laws and labour standards, including fair compensation and reasonable working hours. In addition, employees are supported through comprehensive medical benefits, including Group Personal Accident and Group Hospitalisation and Surgical insurance coverage.

The Group has established a dedicated whistleblowing mechanism that provides a secure, confidential and accessible channel for reporting concerns relating to human rights violations or unethical conduct. All reports are handled with integrity and impartiality, and are subject to timely and appropriate investigation. This mechanism reinforces the Group's commitment to upholding human rights across all levels of the organisation, enabling employees, business partners and stakeholders to raise concerns without fear of retaliation, while facilitating the effective resolution of matters in accordance with the Group's ethical standards and legal obligations.

There were no complaints concerning human rights violations in FY2024, FY2025 and FY2026.

Occupational Health and Safety

The Group identifies workplace safety and health as a key sustainability priority for its operations. In this regard, the Group is committed to providing a safe and secure working environment for its employees, customers, suppliers and business partners entering its premises, and to ensuring safe practices are consistently upheld across all activities.

The Group implements comprehensive workplace safety measures, including regular inspections, audits and training, to maintain a safe, orderly and well-managed working environment. Ongoing health and safety programmes—such as fire drills, equipment safety checks and basic first aid training—are conducted to ensure employees are adequately prepared to respond to emergency situations. An Emergency Response Team has also been established to manage incidents effectively pending the arrival of external authorities.

The Group further ensures that employees are provided with appropriate personal protective equipment ("PPE"), including face masks, gloves and safety shoes, and are trained on their proper usage to promote a safe and secure workplace.

- **Workplace evaluations**: The Group recognises workplace safety and health as a key sustainability priority for its operations. It is committed to providing a safe and secure working environment for its employees and all parties entering its premises. The Group ensures that appropriate safety measures and practices are implemented across all activities. It also continues to promote a strong culture of health and safety throughout its operations.

- **Legal Compliance**: The Group is committed to full compliance with applicable occupational health and safety laws and regulations and continuously monitors developments in regulatory requirements. To ensure alignment with regulatory standards and industry best practices, the Group's operations are subject to periodic assessments by third-party auditors, customers and internal audit functions.

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

SUSTAINABILITY **STATEMENT** (CONT'D)

SOCIAL PERFORMANCE (CONT'D)

The number of employees trained on health and safety is summarised as follows:

	Unit	FY2024	FY2025	FY2026
Number of employees trained on health and safety	Number	226	294	498

Health Check-ups: We conduct general health check-ups as well as regular occupational health assessments to monitor and support the well-being of our employees.

Machine Safety and Maintenance: We prioritise the continuous improvement of machine safety and complement this with scheduled preventive maintenance, ensuring that all equipment remains in optimal working condition to minimise operational risks.

Provision of PPE: We ensure that all employees are fully equipped with the appropriate PPE, maintaining a safe and protective working environment.

Emergency Preparedness Drills: Regular fire drills, first aid training, and chemical spill response exercises are conducted to enhance emergency preparedness and improve employees' real-life response capabilities.

Incident and Near-Miss Investigations: We conduct thorough investigations into any incidents or near-misses, followed by comprehensive follow-up actions to prevent recurrence and continually enhance safety protocols.

The number of work-related fatalities and lost time incident rate are summarised as follows:

	Unit	FY2024	FY2025	FY2026
Number of work-related fatalities	Number	0	0	0
Lost time incident rate	Rate	0	0	0.27

Community Contribution and Donation

We recognise the importance of giving back to the communities where we operate. As part of our commitment to corporate social responsibility, we focus on addressing the specific needs of these communities through targeted initiatives designed to support and enhance their well-being. By fostering meaningful relationships and investing in local development, we aim to make a positive, lasting impact and contribute to the growth and prosperity of the communities that support our operations.

	Unit	FY2024	FY2025	FY2026
Amount invested in the CSR programme	RM	-	207,413	73,626
Beneficiaries of the investment in the CSR programme	Number	-	11	6

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

SUSTAINABILITY **STATEMENT** (CONT'D)

SOCIAL PERFORMANCE (CONT'D)

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

GOVERNANCE PERFORMANCE

In managing governance sustainability matters, the Group is committed to upholding high standards of business ethics, integrity and corporate governance through the continuous enhancement of its governance structures and processes. The Group ensures compliance with all applicable laws and regulations, while promoting transparency through the open and consultative resolution of complaints, grievances and conflicts. In addition, the Group establishes and maintains policies and procedures to safeguard the adequacy and integrity of its internal control systems.

Code of Ethics

The Code of Ethics is founded on the core principles of sincerity, integrity, accountability and corporate social responsibility. It is designed to strengthen corporate governance standards and promote ethical conduct across the Group. The Code serves as a guiding framework with the following objectives:

- Establish clear and consistent standards of ethical behaviour for directors, grounded in integrity, trust and universally recognised values; and
- Promote a culture of responsibility and social accountability, in compliance with applicable laws, regulations and recognised best practices governing corporate conduct and company administration.

SUSTAINABILITY **STATEMENT** (CONT'D)

GOVERNANCE PERFORMANCE (CONT'D)

Whistleblowing Policy

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

In line with this commitment, employees and stakeholders—including shareholders, suppliers and customers—are encouraged to report any genuine concerns relating to unethical behaviour, malpractice, illegal activities or non-compliance with regulatory requirements. Such reports may be made without fear of retaliation, provided they are submitted in good faith. The Group maintains a strict zero-tolerance policy against any form of harassment or reprisal against whistleblowers, and any such actions will be treated as serious disciplinary offences.

Concerns should, where appropriate, be raised with the employee's immediate superior. However, if this is not suitable or effective, the matter may be escalated to the Group Human Resources Manager ("Group HR"). Where the concern involves management, presents a conflict of interest, or where the employee is uncomfortable reporting through the normal reporting line, the concern may be reported directly to the Group Managing Director ("MD") cum Chief Executive Officer ("CEO") or the Chairperson of the Audit, Sustainability and Risk Committee ("ASRC") through the designated reporting channels.

All whistleblowing reports are treated with the utmost confidentiality and will be promptly investigated by the designated recipient. Where necessary, support may be sought from relevant internal functions, including Group Internal Audit, Group Human Resources and the Group Legal Department. Updates on the progress of investigations will be reported to the ASRC at the next scheduled meeting.

Upon completion of the investigation, appropriate recommendations will be submitted to the ASRC for deliberation. Any decisions taken by the ASRC will be implemented in a timely manner to ensure accountability and the enforcement of corrective actions.

Anti-Bribery and Anti-Corruption ("ABC") Policy

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

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

The Policy aims to provide practical guidance to Directors, employees and Applicable Persons on identifying, preventing and reporting any form of bribery, corruption or improper gratification. It reinforces the Group's zero-tolerance stance towards all forms of bribery and corruption, whether direct or indirect.

To support effective implementation, regular training on the ABC Policy and its compliance requirements is provided to all Directors and employees, with new joiners receiving such training as part of their onboarding programme. Applicable Persons with business relationships with the Group are also informed of this Policy. Directors, employees and Applicable Persons are required to formally acknowledge and commit to compliance with the Policy. The percentage of employees who have received ABC training by employee category is summarised below:

	Unit	FY2024	FY2025	FY2026
Executive	%	100	100	100
Non-Executive	%	100	100	100
Manager and above	%	100	100	100

SUSTAINABILITY **STATEMENT** (CONT'D)

GOVERNANCE PERFORMANCE (CONT'D)

Anti-Bribery and Anti-Corruption ("ABC") Policy (Cont'd)

Employees and stakeholders are encouraged to report any genuine concerns or suspected violations of policies or unethical conduct at the earliest opportunity, through the whistleblowing channels outlined in the Group's Whistleblowing Policy. The Group ensures that all reports made in good faith are treated seriously and in strict confidence.

No individual will be subject to discrimination, retaliation or disciplinary action for making a report in good faith, even if the concern is ultimately unsubstantiated. All reports will be promptly investigated, and appropriate corrective or disciplinary actions will be taken where necessary.

The Group confirms that there were no confirmed incidents of corruption during FY2024, FY2025 and FY2026.

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

Information Technology ("IT") System

The Group utilises an integrated Enterprise Resource Planning ("ERP") system that provides real-time visibility of sales, inventory and production data, enabling timely decision-making and effective customer engagement. This investment in a robust IT system enhances operational efficiency and supports the Group's long-term sustainability.

Data Privacy and Security

The Group's business model places strong emphasis on maintaining the trust of its users in relation to data security and protection. Robust information technology systems and controls have been implemented to safeguard the Group's databases and protect against cyber threats. The Group secures its information assets and personal data of customers, suppliers and employees through an integrated data protection and information security framework.

There were no substantiated complaints concerning breaches of customer privacy and losses of customer data in FY2024, FY2025 and FY2026.

YBS INTERNATIONAL BERHAD

BMLR Transition Period

Date & Time: 2026-07-23_09:00:52

Ace Market | Group 3 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Anti-corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category: Manager and above	Percentage	100%	100%	-	No assurance
Anti-corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category: Executive	Percentage	100%	100%	-	No assurance
Anti-corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category: Non executive	Percentage	100%	100%	-	No assurance
Anti-corruption	C1(b) Percentage of operations assessed for corruption- -related risks	Percentage	0%	0%	-	No assurance
Anti-corruption	C1(c) Confirmed incidents of corruption and action taken	Number	0	0	-	No assurance
Community/Society	C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	207,413	73,626	-	No assurance
Community/Society	C2(b) Total number of beneficiaries of the investment in communities	Number	11	6	-	No assurance

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YBS INTERNATIONAL BERHAD

BMLR Transition Period

Date & Time: 2026-07-23_09:00:52

Ace Market | Group 3 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	C3(a) Percentage of employees by age group, for each employee category: Manager and above Under 30	Percentage	4%	4%	-	No assurance
Diversity	C3(a) Percentage of employees by age group, for each employee category: Manager and above Between 30-50	Percentage	50%	45%	-	No assurance
Diversity	C3(a) Percentage of employees by age group, for each employee category: Manager and above Above 50	Percentage	46%	51%	-	No assurance
Diversity	C3(a) Percentage of employees by age group, for each employee category: Executive Under 30	Percentage	21%	25%	-	No assurance
Diversity	C3(a) Percentage of employees by age group, for each employee category: Executive Between 30-50	Percentage	68%	63%	-	No assurance
Diversity	C3(a) Percentage of employees by age group, for each employee category: Executive Above 50	Percentage	11%	12%	-	No assurance

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YBS INTERNATIONAL BERHAD

BMLR Transition Period

Date & Time: 2026-07-23_09:00:52

Ace Market | Group 3 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	C3(a) Percentage of employees by age group, for each employee category: Non-executive Under 30	Percentage	54%	49%	-	No assurance
Diversity	C3(a) Percentage of employees by age group, for each employee category: Non-executive Between 30-50	Percentage	42%	49%	-	No assurance
Diversity	C3(a) Percentage of employees by age group, for each employee category: Non-executive Above 50	Percentage	4%	2%	-	No assurance
Diversity	C3(a) Percentage of employees by gender group, for each employee category: Manager and above Male	Percentage	71%	66%	-	No assurance
Diversity	C3(a) Percentage of employees by gender group, for each employee category: Manager and above Female	Percentage	29%	34%	-	No assurance
Diversity	C3(a) Percentage of employees by gender group, for each employee category: Executive Male	Percentage	44%	46%	-	No assurance
Diversity	C3(a) Percentage of employees by gender group, for each employee category: Executive Female	Percentage	56%	54%	-	No assurance

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YBS INTERNATIONAL BERHAD

BMLR Transition Period

Date & Time: 2026-07-23_09:00:52

Ace Market | Group 3 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	C3(a) Percentage of employees by gender group, for each employee category: Non executive Male	Percentage	67%	69%	-	No assurance
Diversity	C3(a) Percentage of employees by gender group, for each employee category: Non executive Female	Percentage	33%	31%	-	No assurance
Diversity	C3(b) Percentage of directors by gender and age group: Male	Percentage	80%	67%	-	No assurance
Diversity	C3(b) Percentage of directors by gender and age group: Female	Percentage	20%	33%	-	No assurance
Diversity	C3(b) Percentage of directors by gender and age group: Under 30	Percentage	0%	16%	-	No assurance
Diversity	C3(b) Percentage of directors by gender and age group: Between 30-50	Percentage	0%	0%	-	No assurance
Diversity	C3(b) Percentage of directors by gender and age group: Above 50	Percentage	100%	84%	-	No assurance
Energy management	Total electricity consumption	kWh	24,864,888	30,772,922	-	No assurance
Energy management	Total petrol consumption	Litre	29,136	28,780	-	No assurance

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BMLR Transition Period

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Ace Market | Group 3 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Energy management	Total diesel consumption	Litre	207,480	283,920	-	No assurance
Health and safety	C5(a) Number of work-related fatalities	Number	0	0	-	No assurance
Health and safety	C5(b) Lost time incident rate ("LTIR")	Rate	0	0.27	-	No assurance
Health and safety	C5(c) Number of employees trained on health and safety standards	Number	294	498	-	No assurance
Labour practices and standards	C6(a) Total hours of training by employee category: Manager and above	Hours	266.00	1,313.30	-	No assurance
Labour practices and standards	C6(a) Total hours of training by employee category: Executive	Hours	2,081.00	3,122.55	-	No assurance
Labour practices and standards	C6(a) Total hours of training by employee category: Non-executive	Hours	3,335.00	9,555.00	-	No assurance
Labour practices and standards	C6(b) Percentage of employees that are contractors or temporary staff	Percentage	2%	2%	-	No assurance
Labour practices and standards	C6(c) Total number of employee turnover by employee category: Manager	Number	9	24	-	No assurance
Labour practices and standards	C6(c) Total number of employee turnover by employee category: Executive	Number	23	40	-	No assurance

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YBS INTERNATIONAL BERHAD

BMLR Transition Period

Date & Time: 2026-07-23_09:00:52

Ace Market | Group 3 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour practices and standards	C6(c) Total number of employee turnover by employee category: Non-executive	Number	85	329	-	No assurance
Labour practices and standards	C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	-	No assurance
Supply chain management	C7(a) Proportion of spending on local suppliers	Percentage	90%	91%	-	No assurance
Data privacy and security	C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	-	No assurance
Water	C9(a) Total volume of water used	M3	33,564	48,468	-	No assurance
Waste management	C10(a) Total waste generated	Metric Tonnes	962.03	852.35	-	No assurance
Waste management	C10(a)(i) Total waste diverted from disposal	Metric Tonnes	945.90	782.21	-	No assurance
Waste management	C10(a)(ii) Total waste directed to disposal	Metric Tonnes	16.13	70.14	-	No assurance

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STATEMENT ON **RISK MANAGEMENT AND INTERNAL CONTROL**

INTRODUCTION

The Board of Directors of YBS International Berhad ("**YBS**" or "**the Company**") ("**Board**") is pleased to present the Statement on Risk Management and Internal Control (the "**Statement**" or "**SORMIC**") which outlines the governance policies, key elements, nature and scope of risk management and internal control of YBS and its subsidiaries ("**the Group**") during the financial year ended 31 March 2026 ("**FY2026**") and up to date of approval of this Statement. This Statement is prepared in accordance with Rule 15.26(b) of the ACE Market Listing Requirements ("**ACE LR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and Principle B of the Malaysian Code on Corporate Governance 2021 ("**MCCG**"), with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers 2025 ("**SORMIC Guide 2025**").

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, including financial, operational, compliance, information technology and sustainability-related controls and for reviewing the adequacy, integrity and effectiveness of these systems to safeguard shareholders' investment and the Group's assets. It covers not only financial controls but operational and compliance controls as well as risk management.

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

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

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

b) Review the results of the internal audit programme, processes or investigation undertaken on a quarterly basis, and whether or not appropriate action is taken on the recommendations made by the internal auditors.

c) Review with external auditors on the results of their audit, the audit report and internal control recommendations in respect of internal control weaknesses noted in the course of their audit on an annual basis.

RISK MANAGEMENT

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

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

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

RISK MANAGEMENT (CONT'D)

Risk Management Framework

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

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

Risk Management Structure

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

BOARD OF DIRECTORS

- Oversee the overall risk management and internal control framework.
- Approve risk management framework and organisational structure.
- Develop the risk appetite of the Group.
- Review and deliberate on reports on risk management and internal control.

AUDIT, SUSTAINABILITY AND RISK COMMITTEE

- Assist in evaluating the adequacy of the Group's risk management and internal control framework.
- Monitor the discharge of roles and responsibilities of the RMC.
- Review the reports from the RMC and the Group's Risk Register.

RISK MANAGEMENT COMMITTEE

- Administration of risk update, i.e. assessment and consolidation of business units' Risk Register prior to updating Group's Risk Register.
- Analyse and advise on action plans for mitigating identified risks.
- Oversee the compliance of Risk Management Framework and its development.

HEAD OF DEPARTMENTS

- Primarily responsible for managing risks on a day-to-day basis.
- Coordinate with RMC on implementation of risk management policy and practices.
- Adopt and monitor the execution of mitigation actions where appropriate.
- Conduct preliminary risk review and carry out initial update of Risk Register.

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

RISK MANAGEMENT (CONT'D)

Risk Management Process

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

a) Risk Identification Process
   - Procedures of identifying all hazards, threats or opportunities which may impact the achievement of the Group's business objectives.

b) Risk Evaluation Process
   - Process of ranking risk based on a set of prescribed measures which involves the consideration of the following:
     - Likelihood of each of the risks that may occur.
     - Potential impact/consequence of each of the risks, should it occur.
   - Assessment of risk is undertaken by combining estimates of impact and likelihood within the context of existing control environment and measures.

c) Risk Treatment Process
   - This phase involves the identification of risk mitigation measures and evaluation of those options in relation to the range of risk identified.
   - Upon the finalisation of said plan, the implementations of mitigation actions are delegated for execution.

d) Risk Monitoring and Reporting
   - Procedures which include the review of the status of action plans and key performance indicators, where applicable, to provide assurance that risks are being managed as expected.
   - Regular monitoring of the Group's risk profile reflecting the changing circumstances and new exposures.
   - Risk reporting structure that defines the level of risk escalation process and format of reporting for progressive status updates and matters which require immediate actions.

INTERNAL CONTROL

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

a) The Board has established a hierarchical organisation structure with proper segregation of duties for key functions of the operations of the Group.

b) Delegation and separation of responsibilities between the Board and the Management and the establishment of various Board committees and the presence of independent Directors in overseeing the financial, compliance and operation performance of the Management.

c) Delegation of authority including authorisation limits at various levels of management and those requiring the Board's approval are clearly defined to ensure accountability and responsibility.

d) Clear, formalised and documented internal policies, standards and procedures are in place to ensure compliance with internal controls and relevant laws and regulations. YBS has a stand-alone Whistle Blowing Policy to provide an avenue for staff or any external party to report any breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines. YBS has adopted a zero-tolerance approach towards bribery and corruption and developed an Anti-Bribery and Corruption Policy to comply with the Malaysian Anti-Corruption Commission Act 2018 and any of its amendments. All concerns reported will be taken seriously, treated in a confidential manner and investigated immediately.

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

INTERNAL CONTROL (CONT'D)

e) The significant operations of each business unit of the Group are accredited with ISO 9001: Quality Management System and ISO 14001: Environmental Management System, and are subject to yearly audit reviews. This ensures that the quality and environmental management system comply with international standards and are continuously improved upon.

f) An annual budget is submitted to the Board for approval. Actual performance is reviewed against budget every six months, allowing timely response and corrective actions to be taken to mitigate significant risks.

g) The Group's performance is monitored through management and operational meetings attended by senior management. The Group Managing Director & Chief Executive Officer is also actively involved in the day-to-day operations of the Group.

h) There are guidelines within the Group for hiring and termination of staff. Appointment of staff is based on the required level of qualification, experience and competency to fulfill their responsibilities. An induction programme is conducted for all new employees to ensure that they are aware of the existing code of ethical conduct and culture. Training and development programmes are identified and scheduled for employees to ensure that employees are equipped with the necessary knowledge and competencies to carry out their responsibilities. In addition, a formal employee appraisal to evaluate and measure the employees' performance and their competency is performed at least once a year.

i) Quarterly and yearly financial and management reports are submitted to the ASRC and the Board for review and approval.

j) There is sufficient insurance coverage and physical safeguards on major assets to ensure the Group's assets are adequately covered against any mishap that could result in material loss. A yearly policy renewal exercise is undertaken in which Management reviews the coverage based on the current fixed assets and inventory balances and the respective net carrying amounts and "replacement value", i.e. the prevailing market price for the same or similar item, where applicable.

k) Through internal audits, the ASRC assesses compliance with policies and procedures and relevant laws and regulations. In addition, it examines and evaluates the effectiveness and efficiency of the Group's internal control system.

INTERNAL AUDIT FUNCTION

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

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

a) Prepare a detailed Annual Audit Plan in consultation with the senior management on the scope and frequency of the internal audit activities for the ASRC's approval.

b) Carry out all activities to conduct the audits in an effective, professional and timely manner.

c) Inform the Management upon completion of each audit for any significant control lapses and/or deficiencies noted from the reviews for their verification and corrective action plan.

d) Report to the ASRC on a quarterly basis on any non-compliance, internal control weaknesses and agreed actions taken by Management to resolve the audit issues that have been identified.

ASSURANCE FROM MANAGEMENT

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

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Rule 15.23 of the ACE LR, the External Auditors have reviewed this Statement for inclusion in the Annual Report of the Company for FY2026 in accordance with Audit and Assurance Practice Guide 3 ("**AAPG 3**"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the annual report and has reported to the Board that based on their review procedures performed and evidence obtained, nothing has come to their attention that cause them to believe that this Statement, in all material respects:

(a) has not been prepared in accordance with the disclosure required by Section 7 of the SORMIC Guide 2025, or

(b) is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report 2026 will, in fact, remedy the problems.

CONCLUSION

The Board is of the view that the risk management and internal control systems of the Group for FY2026 and as at the date of this Statement is sound and sufficient to safeguard the interest of shareholders, customers, employees and the Group's assets. The Board continues to take pertinent measures to sustain and, where required, to improve and strengthen the Group's risk management and internal control systems in achieving the Group's strategic objectives.

This Statement is made in accordance with a resolution of the Board dated 16 July 2026.

DIRECTORS' **REPORT**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

The directors hereby submit their report together with the audited financial statements of the Group and the Company for the financial year ended **31 March 2026**.

PRINCIPAL ACTIVITIES

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

The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

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

RESULTS

	GROUP RM	COMPANY RM
Profit/(Loss) for the financial year	**14,166,259**	**(20,057,431)**

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended **31 March 2026** have not been substantially affected by any item, transaction or event of a material and unusual nature except for the following items which have been charged to profit or loss for the financial year:

	GROUP RM	COMPANY RM
Allowance for expected credit losses on amount due from subsidiaries (Note 9)	**-**	**(8,101,767)**
Fair value gain on investment properties (Note 5)	**45,000,000**	**-**
Impairment loss on investment in subsidiaries (Note 7)	**-**	**(7,028,588)**
Impairment loss on property, plant and equipment (Note 4)	**(8,298,438)**	**-**

DIVIDENDS

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

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

RESERVES AND PROVISIONS

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

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company had increased its issued and paid-up share capital from RM64,237,782 to RM64,246,701 by way of the issuance of 48,000 new ordinary shares amounting to RM8,919 from the exercise of options under the Company's Employee Share Option Scheme ("ESOS").

Other than the foregoing, the Company did not issue any other shares or debentures and did not grant any option to anyone to take up unissued shares of the Company apart from the issue of options pursuant to the ESOS.

DIRECTORS' **REPORT**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

TREASURY SHARES

During the financial year, the Company did not repurchase or distribute any of its treasury shares.

As at 31 March 2026, the Company held 3,110,000 treasury shares out of the total 297,719,091 issued ordinary shares. Further relevant details are disclosed in Note 15 to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 25 February 2016, the Company's shareholders approved the establishment of an ESOS of not more than 30% of the issued and paid-up share capital of the Company, to eligible directors and employees of the Group. The ESOS is in force for a period of ten (10) years with effect from 1 March 2016 and expired on 28 February 2026. As a result, all unexercised ESOS have lapsed.

The movement of ESOS during the financial year is as follows:

		|---------- Number of ESOS ----------|			
Grant date	Exercise price RM	Balance at 1.4.2025	Exercised	Lapsed	Balance at 31.3.2026
5.8.2020	0.125	197,000	(48,000)	(149,000)	-
20.4.2023	0.605	19,927,894	-	(19,927,894)	-
4.7.2024	0.700	9,185,000	-	(9,185,000)	-
19.12.2024	0.700	800,000	-	(800,000)	-

The salient features and other terms of the ESOS are disclosed in the Note 32 to the financial statements.

The details of ESOS granted to the directors are disclosed in the section of Directors' Interests In Shares of this report.

DIRECTORS

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

Directors of the Company:

Dato' Dr. Mohd Sofi Bin Osman
* **Yong Chan Cheah**
Dato' Jimmy Ong Chin Keng
* **Yong Li-Xiang (appointed on 1.10.2025)**
Najihah Binti Abas (appointed on 1.10.2025)
Gor Siew Yeng (retired on 1.7.2026)
Low Hee Chung (retired on 31.7.2025)

Directors of the subsidiaries:

Low Maan Teong
Poa Mei Ling (resigned on 29.6.2026)
Neoh Sze Tsin (resigned on 30.6.2025)
Yong Swee Chuan (removed on 14.5.2025)

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

DIRECTORS' **REPORT**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares			
	Balance at 1.4.2025	Bought	Sold	Balance at 31.3.2026
The Company:				
Direct Interest:				
Yong Chan Cheah	2,090,400	-	-	2,090,400
Gor Siew Yeng	380,000	331,000	-	711,000
Deemed Interest:				
[1] Yong Chan Cheah	36,247,579	-	-	36,247,579
[2] Gor Siew Yeng	-	200,000	-	200,000

	Number of ESOS			
	Balance at 1.4.2025	Granted	Lapsed	Balance at 31.3.2026
The Company:				
Direct Interest:				
Dato' Dr. Mohd Sofi Bin Osman	300,000	-	(300,000)	-
Yong Chan Cheah	3,242,000	-	(3,242,000)	-
Yong Li-Xiang	1,050,000	-	(1,050,000)	-
Dato' Jimmy Ong Chin Keng	300,000	-	(300,000)	-
Gor Siew Yeng	300,000	-	(300,000)	-

Notes:

[1] Deemed interest pursuant to Section 8(4) of the Companies Act 2016 by virtue of shares held through Cheah Jik Capital Sdn. Bhd.
[2] Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of shares held through her spouse.

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

DIRECTORS' REMUNERATION AND BENEFITS

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

	COMPANY RM	SUBSIDIARY RM	GROUP RM
Directors' fees	**223,431**	**-**	**223,431**
Salaries, bonus and allowances	**1,336,605**	**-**	**1,336,605**
Defined contribution plans	**251,459**	**-**	**251,459**
Social security contributions and employment insurance	**2,089**	**-**	**2,089**
Equity-settled share-based payments	**19,349**	**86,761**	**106,110**
Benefits-in-kind	**17,962**	**-**	**17,962**
	1,850,895	**86,761**	**1,937,656**

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

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The amount of insurance premium paid for professional indemnity for the directors and officers of the Company during the financial year is RM35,353.

OTHER STATUTORY INFORMATION

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

(i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

(i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

DIRECTORS' **REPORT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

OTHER STATUTORY INFORMATION (CONT'D)

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

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT EVENT

The details of the significant event are disclosed in Note 33 to the financial statements.

AUDITORS

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

The total amount of fees paid to or receivable by the auditors and its member firm as remuneration for their services to the Group and the Company for the financial year ended 31 March 2026 are as follows:

	GROUP RM	COMPANY RM
Statutory audit	217,500	75,000
Assurance related and other services	318,480	318,480
Total	535,980	393,480

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

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

....
Yong Chan Cheah

....
Yong Li-Xiang

Penang,

Date: 16 July 2026

DIRECTORS' **STATEMENT**

In the opinion of the directors, the financial statements set out on pages 76 to 152 are properly drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 March 2026** and of their financial performance and cash flows for the financial year then ended.

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

....	....
Yong Chan Cheah	**Yong Li-Xiang**

Date: 16 July 2026

STATUTORY **DECLARATION**

I, **Yong Chan Cheah**, the director primarily responsible for the financial management of **YBS International Berhad** do solemnly and sincerely declare that the financial statements set out on pages 76 to 152 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **16th**)
day of **July 2026**.)

....
Yong Chan Cheah

Before me,

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

INDEPENDENT AUDITORS' **REPORT TO THE MEMBERS OF**
YBS INTERNATIONAL BERHAD (INCORPORATED IN MALAYSIA)

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 2026** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 76 to 152.

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 2026** and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matters	How Our Audit Addressed the Key Audit Matters
Impairment assessment of property, plant and equipment *(Note 4 to the financial statements)*	
As at 31 March 2026, the carrying amount of property, plant and equipment of the Group is RM91.37 million, which representing 22% of the Group's total assets. During the financial year ended 31 March 2026, the Group recognised an impairment loss on property, plant and equipment amounting to RM8,298,438 due to the continued losses incurred by the related subsidiary within the paper product segment. We focus on this area as key audit matter due to the amount involved is significant and the impairment assessment involves management judgements and estimate uncertainty in relation to assumptions used in cash flow projection, terminal growth rate and discount rate.	Our audit procedures in relation to the impairment assessment of property, plant and equipment included, amongst others, the following: • Evaluated the model used in determining the value in use of the property, plant and equipment as well as assessed the discount rate and terminal growth rate used; • Challenged the reasonableness of key assumption based on our knowledge of the business and industry; and • Performed sensitivity analysis on the key assumptions inputted to the model and understood the impact on the overall carrying amount of property, plant and equipment with the alterations to the key assumptions.

Key Audit Matters (Cont'd)

Key Audit Matters	How Our Audit Addressed the Key Audit Matters
Goodwill impairment assessment *(Note 8 to the financial statements)* As at 31 March 2026, the Group has goodwill amounting to RM10.66 million which has been allocated to precision machining and stamping operating segment as the cash generating unit ("CGU"). The management is required to perform annual impairment assessment for its goodwill. We focus on this area as management's assessment of the value in use ("VIU") of the CGU involves estimation uncertainty and management judgements about the future results of the business and key assumptions applied to future cash flows projection.	Our audit procedures in relation to the goodwill impairment assessment included, amongst others, the following: • Evaluated the model used in determining the VIU of the CGU as well as assessed the discount rate and terminal growth rate used; • Challenged the reasonableness of key assumptions based on our knowledge of the business and industry; • Compared actual performance of the CGU to assumptions applied in prior years' model and assessed the accuracy of management's estimates; • Performed sensitivity analysis on management's key assumptions inputted to the model and understood the impact on the overall carrying amount of goodwill with the alterations to the key assumptions; and • Assessed the adequacy of disclosures in the financial statements.
Impairment assessment of investment in subsidiaries and amount due from subsidiaries *(Note 7 to the financial statements)* The carrying amounts of the Company's investment in subsidiaries and amount due from subsidiaries as at 31 March 2026 were RM50.57 million and RM13.23 million, respectively, which in aggregate accounted for approximately 35% of the Company's total assets. Certain subsidiaries are either in negative shareholder's fund position or suffering from continuous losses indicating that the carrying amount of investment in these subsidiaries and amount due from subsidiaries exceeds their recoverable amount. Accordingly, the management has performed an impairment assessment on the investment in these subsidiaries and amount due from subsidiaries by estimating the recoverable amount using the VIU method. We focus on this area as management's assessment of the VIU involves estimation uncertainty and management judgements about the future results of the said subsidiaries and key assumptions applied to the discounted cash flows.	Our audit procedures in relation to the impairment assessment of investment in subsidiaries and amount due from subsidiaries included, amongst others, the following: • Evaluated the reasonableness of the assumptions applied by management in estimating the five-years cash flow forecasts of the relevant subsidiaries; • Assessed the appropriateness of the discount rate used to determine the present value of the cash flows and whether the rate used reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive; and • Analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions on the recoverable amount.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YBS INTERNATIONAL BERHAD (INCORPORATED IN MALAYSIA) (CONT'D)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

INDEPENDENT AUDITORS' **REPORT TO THE MEMBERS OF**
YBS INTERNATIONAL BERHAD (INCORPORATED IN MALAYSIA) (CONT'D)

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

Teh Khang Xuen
No. 03805/12/2027 J
Chartered Accountant

Penang

Date: 16 July 2026

STATEMENTS OF **FINANCIAL POSITION**
AS AT 31 MARCH 2026

		GROUP		COMPANY	
		2026	2025	**2026**	2025
	NOTE	**RM**	RM	**RM**	RM
ASSETS					
Non-current assets					
Property, plant and equipment	**4**	**91,373,895**	53,747,725	**797,853**	808,738
Investment properties	**5**	**140,000,000**	95,000,000	**-**	-
Right-of-use assets	**6**	**3,397,558**	1,348,280	**-**	-
Investment in subsidiaries	**7**	**-**	-	**50,565,931**	52,874,429
Goodwill	**8**	**10,655,631**	10,655,631	**-**	-
Trade and other receivables	**9**	**79,087**	437,034	**8,002,422**	7,883,082
Deferred tax assets	**10**	**61,266**	450,695	**-**	-
		245,567,437	161,639,365	**59,366,206**	61,566,249
Current assets					
Inventories	**11**	**18,637,174**	15,152,919	**-**	-
Trade and other receivables	**9**	**135,630,872**	25,786,798	**113,605,563**	15,795,135
Current tax assets		**760,491**	678,546	**81,255**	117,430
Other investment	**12**	**-**	423,654	**-**	-
Cash and bank balances	**13**	**20,840,952**	21,069,570	**8,937,686**	9,405,541
		175,869,489	63,111,487	**122,624,504**	25,318,106
TOTAL ASSETS		**421,436,926**	224,750,852	**181,990,710**	86,884,355
EQUITY AND LIABILITIES					
Share capital	**14**	**64,246,701**	64,237,782	**64,246,701**	64,237,782
Treasury shares	**15**	**(1,772,164)**	(1,772,164)	**(1,772,164)**	(1,772,164)
Reserves	**16**	**60,707,080**	55,238,013	**-**	7,514,749
Retained profits/(Accumulated losses)		**40,922,101**	18,464,147	**(2,934,102)**	8,994,574
Total equity		**164,103,718**	136,167,778	**59,540,435**	78,974,941

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

STATEMENTS OF **FINANCIAL POSITION**
AS AT 31 MARCH 2026 (CONT'D)

		GROUP		COMPANY	
		2026	2025	**2026**	2025
	NOTE	**RM**	RM	**RM**	RM
Non-current liabilities					
Borrowings	**17**	**144,815,167**	41,075,241	**79,704,288**	-
Lease liabilities	**6**	**-**	964,642	**-**	-
Deferred tax liabilities	**10**	**24,483,072**	10,719,279	**-**	-
Deferred income	**18**	**1,034,290**	1,355,209	**-**	-
		170,332,529	54,114,371	**79,704,288**	-
Current liabilities					
Trade and other payables	**19**	**55,675,282**	21,527,389	**38,470,275**	7,909,414
Borrowings	**17**	**27,510,231**	12,226,757	**4,275,712**	-
Lease liabilities	**6**	**3,581,026**	714,557	**-**	-
Deferred income	**18**	**160,460**	-	**-**	-
Current tax liabilities		**73,680**	-	**-**	-
		87,000,679	34,468,703	**42,745,987**	7,909,414
Total liabilities		**257,333,208**	88,583,074	**122,450,275**	7,909,414
TOTAL EQUITY AND LIABILITIES		**421,436,926**	224,750,852	**181,990,710**	86,884,355

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

STATEMENTS OF **COMPREHENSIVE INCOME**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

		GROUP		COMPANY	
		2026	2025	**2026**	2025
	NOTE	**RM**	RM	**RM**	RM
Revenue	**20**	**149,537,656**	118,520,936	**44,473,970**	25,363,364
Cost of sales		**(131,975,908)**	(104,942,834)	**(37,357,714)**	(14,213,207)
Gross profit		**17,561,748**	13,578,102	**7,116,256**	11,150,157
Other income		**46,766,577**	3,938,308	**16,367**	158
Administrative expenses		**(26,802,718)**	(23,343,918)	**(12,583,726)**	(8,047,816)
Selling and distribution expenses		**(2,134,740)**	(1,041,176)	**-**	-
Other operating expenses		**(8,298,438)**	-	**(7,028,588)**	(7,747,241)
Allowance for expected credit losses:					
- Addition		**(13,339)**	(135,571)	**(8,101,767)**	-
- Reversal		**20,000**	-	**-**	-
Operating profit/(loss)		**27,099,090**	(7,004,255)	**(20,581,458)**	(4,644,742)
Finance income	**21**	**55,105**	279,783	**1,044,429**	302,879
Finance costs	**22**	**(2,874,486)**	(2,721,917)	**(363,402)**	-
Profit/(Loss) before tax	**23**	**24,279,709**	(9,446,389)	**(19,900,431)**	(4,341,863)
Taxation	**24**	**(10,113,450)**	(1,450,926)	**(157,000)**	(32,325)
Profit/(Loss) for the financial year		**14,166,259**	(10,897,315)	**(20,057,431)**	(4,374,188)

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

STATEMENTS OF **COMPREHENSIVE INCOME**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

		GROUP		COMPANY	
		2026	2025	**2026**	2025
	NOTE	**RM**	RM	**RM**	RM
Total other comprehensive income/(loss), net of tax:					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		**(290,801)**	(156,129)	**-**	-
Item that will not be reclassified subsequently to profit or loss:					
Revaluation of leasehold land and buildings, net of deferred tax		**13,437,557**	47,560,098	**-**	-
Transfer of revaluation surplus to retained profits		**162,940**	-	**-**	-
Realisation of revaluation surplus upon depreciation		**(162,940)**	-	**-**	-
Total comprehensive income/(loss) for the financial year		**27,313,015**	36,506,654	**(20,057,431)**	(4,374,188)
Profit/(Loss) attributable to:					
Owners of the Company		**14,166,259**	(10,087,704)	**(20,057,431)**	(4,374,188)
Non-controlling interests		**-**	(809,611)	**-**	-
		14,166,259	(10,897,315)	**(20,057,431)**	(4,374,188)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		**27,313,015**	37,316,265	**(20,057,431)**	(4,374,188)
Non-controlling interests		**-**	(809,611)	**-**	-
		27,313,015	36,506,654	**(20,057,431)**	(4,374,188)
Earnings/(Loss) per share attributable to owners of the Company (sen)					
- Basic	**25**	**4.80**	(3.74)		
- Diluted	**25**	**4.80**	(3.67)		

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

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

		Attributable to Owners of the Company						
		Non-distributable					Distributable	
	NOTE	Share Capital RM	Treasury Shares RM	ESOS Reserve RM	Foreign Translation Reserve RM	Revaluation Reserve RM	Retained Profits RM	Total Equity RM
2026								
Balance at beginning		64,237,782	(1,772,164)	7,514,749	163,166	47,560,098	18,464,147	136,167,778
Total comprehensive income for the financial year		-	-	-	(290,801)	13,274,617	14,329,199	27,313,015
Transactions with owners of the Company:								
Issuance of shares pursuant to exercise of employees' share option scheme ("ESOS")	14	8,919	-	(2,919)	-	-	-	6,000
Share-based payment transactions:								
- Recognition of equity-settled share-based payments	16	-	-	616,925	-	-	-	616,925
- Lapsed of ESOS	16	-	-	(8,128,755)	-	-	8,128,755	-
Total transactions with owners of the Company		8,919	-	(7,514,749)	-	-	8,128,755	622,925
Balance at end		64,246,701	(1,772,164)	-	(127,635)	60,834,715	40,922,101	164,103,718

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

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

		Attributable to Owners of the Company								
		Non-distributable				Distributable				
	NOTE	Share Capital RM	Treasury Shares RM	ESOS Reserve RM	Foreign Translation Reserve RM	Revaluation Reserve RM	Retained Profits RM	Total RM	Non-Controlling Interests RM	Total Equity RM
2025										
Balance at beginning		38,175,270	-	5,436,434	319,295	-	28,663,931	72,594,930	1,029,670	73,624,600
Total comprehensive income for the financial year		-	-	-	(156,129)	47,560,098	(10,087,704)	37,316,265	(809,611)	36,506,654
Transactions with owners of the Company:										
Issuance of shares pursuant to:										
- Exercise of ESOS	14	7,019,913	-	(2,387,689)	-	-	-	4,632,224	-	4,632,224
- Private placement, net	14	19,042,599	-	-	-	-	-	19,042,599	-	19,042,599
Share-based payment transactions:										
- Recognition of equity-settled share-based payments	16	-	-	4,533,865	-	-	-	4,533,865	-	4,533,865
- Lapsed of ESOS	16	-	-	(67,861)	-	-	67,861	-	-	-
Acquisition of non-controlling interests	7	-	-	-	-	-	(179,941)	(179,941)	(220,059)	(400,000)
Purchase of treasury shares	15	-	(1,772,164)	-	-	-	-	(1,772,164)	-	(1,772,164)
Total transactions with owners of the Company		26,062,512	(1,772,164)	2,078,315	-	-	(112,080)	26,256,583	(220,059)	26,036,524
Balance at end		64,237,782	(1,772,164)	7,514,749	163,166	47,560,098	18,464,147	136,167,778	-	136,167,778

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

STATEMENT OF **CHANGES IN EQUITY**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

		|------------- Non-distributable -------------|			Distributable	
	NOTE	**Share Capital RM**	**Treasury Shares RM**	**ESOS Reserve RM**	**(Accumulated) Losses/ Retained Profits RM**	**Total Equity RM**
2026						
Balance at beginning		**64,237,782**	**(1,772,164)**	**7,514,749**	**8,994,574**	**78,974,941**
Total comprehensive loss for the financial year		**-**	**-**	**-**	**(20,057,431)**	**(20,057,431)**
Transactions with owners of the Company:						
Issuance of shares pursuant to exercise of ESOS	**14**	**8,919**	**-**	**(2,919)**	**-**	**6,000**
Share-based payment transactions:						
- Recognition of equity-settled share-based payments	**16**	**-**	**-**	**616,925**	**-**	**616,925**
- Lapsed of ESOS	**16**	**-**	**-**	**(8,128,755)**	**8,128,755**	**-**
Total transactions with owners of the Company		**8,919**	**-**	**(7,514,749)**	**8,128,755**	**622,925**
Balance at end		**64,246,701**	**(1,772,164)**	**-**	**(2,934,102)**	**59,540,435**
2025						
Balance at beginning		38,175,270	-	5,436,434	13,300,901	56,912,605
Total comprehensive loss for the financial year		-	-	-	(4,374,188)	(4,374,188)
Transactions with owners of the Company:						
Issuance of shares pursuant to:						
- Exercise of ESOS	14	7,019,913	-	(2,387,689)	-	4,632,224
- Private placement, net	14	19,042,599	-	-	-	19,042,599
Share-based payment transactions:						
- Recognition of equity-settled share-based payments	16	-	-	4,533,865	-	4,533,865
- Lapsed of ESOS	16	-	-	(67,861)	67,861	-
Purchase of treasury shares	15	-	(1,772,164)	-	-	(1,772,164)
Total transactions with owners of the Company		26,062,512	(1,772,164)	2,078,315	67,861	26,436,524
Balance at end		64,237,782	(1,772,164)	7,514,749	8,994,574	78,974,941

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

STATEMENTS OF **CASH FLOWS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	**24,279,709**	(9,446,389)	**(19,900,431)**	(4,341,863)
Adjustments for:				
Accretion of interest on lease liabilities	**151,631**	165,571	**-**	-
Allowance for expected credit losses:				
- Addition	**13,339**	135,571	**8,101,767**	-
- Reversal	**(20,000)**	-	**-**	-
Bad debts written off	**14,455**	-	**-**	14,577
Deferred income released	**(160,459)**	(160,459)	**-**	-
Depreciation of property, plant and equipment	**7,220,114**	6,392,100	**161,587**	7,598
Depreciation of right-of-use assets	**4,556,454**	687,756	**-**	-
Dividend income	**-**	-	**-**	(6,000,000)
Fair value gain on investment properties	**(45,000,000)**	-	**-**	-
Gain on disposal of:				
- a subsidiary	**(99,840)**	-	**(16,296)**	-
- property, plant and equipment	**(137,290)**	-	**-**	-
Loss on revaluation of property, plant and equipment	**-**	78,364	**-**	-
Impairment loss on:				
- investment in subsidiaries	**-**	-	**7,028,588**	7,747,241
- property, plant and equipment	**8,298,438**	-	**-**	-
Interest expenses	**2,722,855**	2,556,346	**363,402**	-
Interest income	**(55,105)**	(279,783)	**(1,044,429)**	(302,879)
Inventories written down:				
- Addition	**662,267**	54,614	**-**	-
- Reversal	**(209,993)**	-	**-**	-
Property, plant and equipment written off	**13**	17,744	**-**	-
Unrealised loss on foreign exchange	**205,194**	66,473	**22,356**	-
ESOS expenses	**616,925**	4,533,865	**19,349**	1,339,570
Operating profit/(loss) before working capital changes, balance carried forward	**3,058,707**	4,801,773	**(5,264,107)**	(1,535,756)

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

STATEMENTS OF **CASH FLOWS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

	NOTE	GROUP 2026 RM	GROUP 2025 RM	COMPANY 2026 RM	COMPANY 2025 RM
Operating profit/(loss) before working capital changes, balance brought forward		**3,058,707**	4,801,773	**(5,264,107)**	(1,535,756)
Changes in:					
Inventories		**(3,999,662)**	1,404,740	**-**	-
Receivables		**(3,974,492)**	(5,257,588)	**2,046,846**	(4,820,506)
Payables		**14,718,998**	(3,799,679)	**(2,975,894)**	5,049,854
Subsidiaries' balances		**-**	-	**4,530,908**	(4,149,098)
Cash from/(used in) operations		**9,803,551**	(2,850,754)	**(1,662,247)**	(5,455,506)
Interest paid		**(74,745)**	(75,494)	**-**	-
Income tax paid		**(1,294,898)**	(1,063,445)	**(133,500)**	(117,317)
Income tax refunded		**883,143**	-	**12,675**	-
Net cash from/(used in) operating activities		**9,317,051**	(3,989,693)	**(1,783,072)**	(5,572,823)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of investment in subsidiaries		**-**	-	**(4,855,000)**	(4,130,953)
Acquisition of non-controlling interests		**-**	(400,000)	**-**	-
Deposit paid for acquisition of investment in subsidiaries		**(88,351,000)**	-	**(88,351,000)**	-
Dividend income		**-**	-	**-**	6,000,000
Interest received		**55,105**	279,783	**174**	-
Net cash inflow arising from disposal of a subsidiary		**621,125**	-	**748,782**	-
Proceeds from disposal of property, plant and equipment		**215,000**	-	**-**	-
Purchase of property, plant and equipment	A	**(34,171,202)**	(7,209,453)	**(107,388)**	(809,061)
Net change in fixed deposits with licensed banks and restricted cash		**(9,179,169)**	(10,577)	**(7,786,372)**	-
Net change in subsidiaries' balances		**-**	-	**(3,626,614)**	(8,246,603)
Net cash used in investing activities		**(130,810,141)**	(7,340,247)	**(103,977,418)**	(7,186,617)
Balance carried forward		**(121,493,090)**	(11,329,940)	**(105,760,490)**	(12,759,440)

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

STATEMENTS OF **CASH FLOWS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

		GROUP		COMPANY	
		2026	2025	**2026**	2025
	NOTE	**RM**	RM	**RM**	RM
Balance brought forward		**(121,493,090)**	(11,329,940)	**(105,760,490)**	(12,759,440)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		**(2,648,110)**	(2,480,852)	**-**	-
Proceeds from issuance of ordinary shares		**6,000**	23,674,823	**6,000**	23,674,823
Purchase of treasury shares		**-**	(1,772,164)	**-**	(1,772,164)
Net change in subsidiaries' balances	B	**-**	-	**13,520,263**	-
Net change in bankers' acceptance	B	**4,283,052**	(254,000)	**-**	-
Repayment of hire purchases	B	**(338,324)**	(477,586)	**-**	-
Drawdown of term loans	B	**122,851,177**	-	**83,980,000**	-
Repayment of term loans	B	**(7,853,364)**	(1,511,936)	**-**	-
Repayment of lease liabilities	B	**(4,715,439)**	(905,631)	**-**	-
Net cash from financing activities		**111,584,992**	16,272,654	**97,506,263**	21,902,659
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(9,908,098)**	4,942,714	**(8,254,227)**	9,143,219
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**(4,202)**	101,928	**-**	-
CASH AND CASH EQUIVALENTS AT BEGINNING		**21,036,217**	15,991,575	**9,405,541**	262,322
CASH AND CASH EQUIVALENTS AT END		**11,123,917**	21,036,217	**1,151,314**	9,405,541
The cash and cash equivalents are represented by:					
Bank overdrafts		**(80,859)**	-	**-**	-
Short-term funds with a licensed financial institution		**-**	423,654	**-**	-
Fixed deposits with licensed banks		**1,235,924**	3,345,804	**-**	-
Restricted cash		**8,621,372**	-	**7,786,372**	-
Cash in hand and at banks		**10,983,656**	17,723,766	**1,151,314**	9,405,541
		20,760,093	21,493,224	**8,937,686**	9,405,541
Less: Fixed deposits pledged with licensed banks		**(1,014,804)**	(457,007)	**-**	-
Restricted cash		**(8,621,372)**	-	**(7,786,372)**	-
		11,123,917	21,036,217	**1,151,314**	9,405,541

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

STATEMENTS OF **CASH FLOWS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
A. Purchase of property, plant and equipment				
Total acquisition cost	**36,254,259**	4,313,876	**150,702**	809,061
Amount owing to vendors reflected under other payables	**(2,269,557)**	(186,500)	**(43,314)**	-
Cash paid in respect of acquisition in previous financial year	**186,500**	3,082,077	**-**	-
Total cash acquisition	**34,171,202**	7,209,453	**107,388**	809,061

B. Reconciliation of liabilities arising from financing activites

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

	Balance at beginning RM	**Net cash flows RM**	**Others[1] RM**	**Balance at end RM**
GROUP				
2026				
Borrowings excluding bank overdrafts	**53,301,998**	**118,942,541**	**-**	**172,244,539**
Lease liabilities	**1,679,199**	**(4,715,439)**	**6,617,266**	**3,581,026**
Total liabilities arising from financing activities	**54,981,197**	**114,227,102**	**6,617,266**	**175,825,565**

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

STATEMENTS OF **CASH FLOWS**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

B. Reconciliation of liabilities arising from financing activites (Cont'd)

	Balance at beginning RM	Net cash flows RM	Others[1] RM	Balance at end RM
GROUP				
2025				
Borrowings excluding bank overdrafts	55,545,520	(2,243,522)	-	53,301,998
Lease liabilities	2,125,147	(905,631)	459,683	1,679,199
Total liabilities arising from financing activities	57,670,667	(3,149,153)	459,683	54,981,197
COMPANY				
2026				
Borrowings	**-**	**83,980,000**	**-**	**83,980,000**
Amount due to subsidiaries	**2,417,538**	**13,520,263**	**363,402**	**16,301,203**
Total liabilities arising from financing activities	**2,417,538**	**97,500,263**	**363,402**	**100,281,203**

[1] Others consist of non-cash movement as follows:

	GROUP		COMPANY	
	2026 RM	2025 RM	**2026 RM**	2025 RM
Accretion of interest on lease liabilities	**151,631**	165,571	**-**	-
Addition of lease liabilities	**6,847,961**	366,269	**-**	-
Disposal of a subsidiary	**(287,678)**	-	**-**	-
Foreign currency translation	**(94,648)**	(72,157)	**-**	-
Interest expenses	**-**	-	**363,402**	-
	6,617,266	459,683	**363,402**	-

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

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026

1. GENERAL INFORMATION

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 16 July 2026.

PRINCIPAL ACTIVITIES

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

The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for leasehold land, buildings and improvements, investment properties and certain financial instruments that are measured at fair values at the end of each reporting period as indicated in the material accounting policy information as set out in the notes to the financial statements.

2.3 Functional and Presentation Currency

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

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

2.4 Adoption of Amendments to MFRSs

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

Effective for annual periods beginning on or after 1 January 2025
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Initial application for the above amendments to MFRSs did not have any material impact to the financial statements of the Group and of the Company upon adoption.

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

2.5 **Standards/Amendments/Improvements to MFRSs Issued But Not Yet Effective**

The following are accounting standards/amendments/improvements to MFRSs that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group and for the Company:

Effective for annual period beginning on or after 1 January 2026
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments
Annual Improvements to MFRS Accounting Standards - Volume 11
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

Effective for annual period beginning on or after 1 January 2027
MFRS 18 Presentation and Disclosure in Financial Statements
MFRS 19 Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosure
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency

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

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

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

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

The Group is currently assessing the impact of *MFRS 18* and plans to adopt the new standard on the required effective date.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

3.1 Judgements made in applying accounting policies

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

(i) **Determining the lease term of contracts with renewal options - Group as lessee**

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

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

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

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

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

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

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

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

3.2 **Key sources of estimation uncertainty**

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

(i) **Useful lives of depreciable assets**

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

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

(ii) **Impairment of goodwill**

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying amount, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in assumptions are disclosed in Note 8 to the financial statements.

(iii) **Inventories**

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

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 11 to the financial statements.

(iv) **Provision for expected credit losses ("ECL") of trade receivables**

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

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

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

The information about the ECL on the Group's trade receivables is disclosed in Note 29.3.1 to the financial statements.

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

3.2 **Key sources of estimation uncertainty** (Cont'd)

(v) **Deferred tax assets**

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

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

A subsidiary of the Group had recognised deferred tax assets as at the end of the reporting period as management considered that it is probable that future taxable profits will be available against which the tax credits can be utilised. The carrying amount of deferred tax assets of the Group as at the end of the reporting period is disclosed in Note 10 to the financial statements.

(vi) **Employees' share option**

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

The assumptions and model used for estimating fair value for share-based payment transactions, sensitivity analysis and the carrying amounts are disclosed in Note 32 to the financial statements.

4. **PROPERTY, PLANT AND EQUIPMENT**

GROUP

	At valuation		At cost				
	Leasehold land RM	Buildings and improvements RM	Plant and machinery RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
2026							
Balance at beginning	13,175,180	11,106,208	100,726,649	5,790,378	3,094,234	776,151	134,668,800
Additions	4,500,000	27,791,247	3,129,981	724,745	-	108,286	36,254,259
Disposals	-	-	-	-	(664,506)	-	(664,506)
Written offs	-	-	-	(35,246)	-	-	(35,246)
Disposal of a subsidiary	-	(128,149)	(2,152,767)	(420,612)	-	-	(2,701,528)
Reclassification	1,624,820	(834,874)	6,524	85,464	-	(881,934)	-
Revaluation gain	-	17,190,803	-	-	-	-	17,190,803
Foreign currency translation	-	-	(262,559)	(25,192)	-	(2,503)	(290,254)
Balance at end	19,300,000	55,125,235	101,447,828	6,119,537	2,429,728	-	184,422,328
Accumulated depreciation							
Balance at beginning	-	1,571,283	72,561,191	4,509,628	2,278,973	-	80,921,075
Current charge	539,347	1,846,788	3,935,383	629,106	269,490	-	7,220,114
Disposals	-	-	-	-	(586,796)	-	(586,796)
Written offs	-	-	-	(35,233)	-	-	(35,233)
Disposal of a subsidiary	-	(90,881)	(1,957,335)	(394,057)	-	-	(2,442,273)
Elimination of accumulated depreciation on revaluation	(195,845)	(110,267)	-	-	-	-	(306,112)
Foreign currency translation	-	-	(10,424)	(10,356)	-	-	(20,780)
Balance at end	343,502	3,216,923	74,528,815	4,699,088	1,961,667	-	84,749,995
Accumulated impairment							
Current charge/Balance at end	-	591,470	7,558,183	103,738	45,047	-	8,298,438
Carrying amount	18,956,498	51,316,842	19,360,830	1,316,711	423,014	-	91,373,895

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

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

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

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

COMPANY

	Office equipment RM	Capital work-in-progress RM	Total RM
2026			
At cost			
Balance at beginning	**90,524**	**747,177**	**837,701**
Additions	**42,416**	**108,286**	**150,702**
Reclassification	**855,463**	**(855,463)**	**-**
Balance at end	**988,403**	**-**	**988,403**
Accumulated depreciation			
Balance at beginning	**28,963**	**-**	**28,963**
Current charge	**161,587**	**-**	**161,587**
Balance at end	**190,550**	**-**	**190,550**
Carrying amount	**797,853**	**-**	**797,853**
2025			
At cost			
Balance at beginning	28,640	-	28,640
Additions	61,884	747,177	809,061
Balance at end	90,524	747,177	837,701
Accumulated depreciation			
Balance at beginning	21,365	-	21,365
Current charge	7,598	-	7,598
Balance at end	28,963	-	28,963
Carrying amount	61,561	747,177	808,738

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

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

	GROUP	
	2026	2025
	RM	RM
Plant and machinery	**625,441**	1,589,658
Motor vehicles	**52,985**	223,942
	678,426	1,813,600

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

	GROUP	
	2026	2025
	RM	RM
Leasehold land, buildings and improvements	**38,623,449**	8,360,000
Plant and machinery	**4,145,493**	3,196,810
	42,768,942	11,556,810

(iii) On 1 August 2025, a wholly-owned subsidiary of the Company, Oriental Fastech Manufacturing Sdn. Bhd., entered into a Sale and Purchase Agreement with a company to acquire leasehold land and buildings for a total purchase consideration of RM23,500,000. The transaction has been completed during the financial year.

(iv) During the financial year, an impairment loss of **RM8,298,438** (2025: RM Nil) was recognised under other operating expenses of the Group's statements of comprehensive income, representing the write-down of certain property, plant and equipment of a subsidiary within the paper products segment to their recoverable amounts. The impairment was recognised due to the continued losses incurred by the subsidiary. The recoverable amount as at the end of the reporting period was determined based on value in use, which was calculated using the present value of the estimated future cash flows expected to generated from the related property, plant and equipment. In determining the value in use, the cash flow projection was discounted at a pre-tax discount rate of **9.79%** (2025: Nil).

Material accounting policy information

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

Subsequent to initial recognition, all property, plant and equipment (except for leasehold land, buildings and improvements) are stated at cost less accumulated depreciation and any impairment losses.

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

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

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

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

Material accounting policy information (Cont'd)

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

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

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

Categories	
Leasehold land	7 to 60 years
Buildings and improvements	2% - 20%
Plant and machinery	5% - 33%
Furniture, fittings and office equipment	7% - 25%
Motor vehicles	10% - 20%

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

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

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

5. **INVESTMENT PROPERTIES**

	GROUP	
	2026	2025
	RM	RM
At fair value		
Balance at beginning	**95,000,000**	-
Fair value gain recognised in profit or loss	**45,000,000**	-
Transfer from property, plant and equipment (Note 4)	**-**	95,000,000
Balance at end	**140,000,000**	95,000,000

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

5. **INVESTMENT PROPERTIES** (CONT'D)

The investment properties consist of the following:

	GROUP	
	2026	2025
	RM	RM
At fair value:		
Leasehold land	**30,600,000**	29,500,000
Buildings	**109,400,000**	65,500,000
	140,000,000	95,000,000

The entire investment properties are pledged to licensed banks as securities for banking facilities granted to a subsidiary as disclosed in Note 17 to the financial statements.

Material accounting policy information

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

Group as lessor

The Group has entered into operating lease on its investment properties. The lease term is for a period of one year with no option for renewal. In the prior financial year, the lease term was for a period of three years with an option to extend for another three years.

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

	GROUP	
	2026	2025
	RM	RM
Rental income from income generating properties	**8,573,869**	8,198,237
Direct operating expenses, excluding depreciation charges	**(512,298)**	(28,626)

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

	GROUP	
	2026	2025
	RM	RM
Within one year	**10,702,353**	8,313,708
More than one year and less than five years	**3,849,068**	24,371,236
	14,551,421	32,684,944

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

GROUP

As a lessee

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

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

Right-of-use assets

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

	Factories RM	Hostels RM	Total RM
2026			
Balance at beginning	**1,339,728**	**8,552**	**1,348,280**
Additions	**6,847,961**	**-**	**6,847,961**
Depreciation	**(4,547,902)**	**(8,552)**	**(4,556,454)**
Disposal of a subsidiary	**(138,260)**	**-**	**(138,260)**
Foreign currency translation	**(103,969)**	**-**	**(103,969)**
Balance at end	**3,397,558**	**-**	**3,397,558**
2025			
Balance at beginning	1,758,756	53,072	1,811,828
Additions	366,269	-	366,269
Depreciation	(643,236)	(44,520)	(687,756)
Foreign currency translation	(142,061)	-	(142,061)
Balance at end	1,339,728	8,552	1,348,280

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

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

Lease liabilities

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

	2026	2025
	RM	RM
Balance at beginning	**1,679,199**	2,125,147
Additions	**6,847,961**	366,269
Accretion of interest	**151,631**	165,571
Payments	**(4,715,439)**	(905,631)
Disposal of a subsidiary	**(287,678)**	-
Foreign currency translation	**(94,648)**	(72,157)
Balance at end	**3,581,026**	1,679,199
Represented by:		
Non-current	**-**	964,642
Current	**3,581,026**	714,557
	3,581,026	1,679,199

The maturity analysis of lease liabilities is disclosed in Note 29.4 to the financial statements.

The following are the amounts recognised in profit or loss:

	2026	2025
	RM	RM
Accretion of interest on lease liabilities	**151,631**	165,571
Depreciation of right-of-use assets	**4,556,454**	687,756
Expenses relating to lease of low-value assets	**371,209**	218,345
Expenses relating to short-term leases	**1,823,103**	241,229
Total amount recognised in profit or loss	**6,902,397**	1,312,901

The total cash outflows for leases during the financial year are **RM6,909,751** (2025: RM1,365,205).

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

Material accounting policy information

Right-of-use assets

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Factories	17 to 60 months
Hostels	24 months

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

7. **INVESTMENT IN SUBSIDIARIES**

	COMPANY	
	2026	2025
	RM	RM
Unquoted shares, at cost		
Balance at beginning	**61,013,412**	53,688,164
Acquisition of non-controlling interests	**-**	400,000
Subscription of new shares	**4,855,000**	3,730,953
Allocation of ESOS expenses in respect of share options granted to the employees of subsidiaries	**597,576**	3,194,295
Disposal of a subsidiary	**(2,512,562)**	-
Balance at end	**63,953,426**	61,013,412
Less: Accumulated impairment loss		
Balance at beginning	**(8,138,983)**	(391,742)
Addition	**(7,028,588)**	(7,747,241)
Disposal of a subsidiary	**1,780,076**	-
Balance at end	**(13,387,495)**	(8,138,983)
	50,565,931	52,874,429

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

7. **INVESTMENT IN SUBSIDIARIES** (CONT'D)

The details of the subsidiaries are as follows:

	Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Effective Equity Interest 2026 %	Effective Equity Interest 2025 %	Principal Activities
	Edaran Precision Industries Sdn. Bhd. ("EPISB")	Malaysia	**100**	100	Design and manufacture of high precision moulds, tools and dies.
	Golden City Plastic Sdn. Bhd. ("GCPSB")	Malaysia	**100**	100	Precision engineering plastic injection moulding and sub-assembly products.
* #	Edaran Precision India Private Limited ("EPI India")	India	**-**	100	Design and manufacture of precision moulds, tools and dies, jigs and fixtures.
	Oriental Fastech Manufacturing Sdn. Bhd. ("OFMSB")	Malaysia	**100**	100	Manufacture, design, fabrication and sales of precision machining, stamping, components, mold, tool and electronics devices and equipment with metal and plastic parts for telecommunication, industrial sensors, switches, electronic equipment and other industries, provision of related specialised engineering services and property letting.
*	Edaran Resources Pte. Ltd. ("ERPL")	Singapore	**100**	100	Research and experimental development and trading of engineering parts including procurement and distribution.
	Edaran Interconnect Sdn. Bhd. ("EISB")	Malaysia	**100**	100	Manufacture and assembly of electronic components.
	Orifast Solutions Sdn. Bhd. ("OSSB")	Malaysia	**100**	100	Trading of electronic components, manufacturing and assembling of batteries, electronic components and devices.
	Bumblebee Eco Solutions Sdn. Bhd. ("BESSB")	Malaysia	**100**	100	Manufacture and sales of corrugated and honeycomb boards and paper related products.
	Oribes Sdn. Bhd. ("OSB")	Malaysia	**100**	100	Dormant.
	Indirect-held through OFMSB				
*	Oriental Fastech Manufacturing (Vietnam) Co., Ltd. ("OFMV")	Vietnam	**100**	100	Manufacture of precise mechanical components, labels, metal and paper stamping components for electricity, electric, information and other industries.

* *Not audited by Grant Thornton Malaysia PLT.*

\# *Disposed off during the year.*

7. **INVESTMENT IN SUBSIDIARIES** (CONT'D)

2026

Addition of investment in subsidiaries

On 30 January 2026, the Company had subscribed to an additional 4,855,000 new ordinary shares in BESSB by way of converting of the amount due from BESSB of RM4,855,000. There was no changes in the equity interest in BESSB as a result of the additional subscription of ordinary shares.

Disposal of a subsidiary

On 4 February 2025, the Company has entered into a share sale agreement with third parties to dispose of its entire equity interest in EPI India, for a cash consideration RM748,782.

The effects of the disposal of EPI India on the financial position of the Group as at the date of disposal were as follows:

	RM
Property, plant and equipment	259,255
Right-of-use asset	138,260
Deferred tax assets	395,047
Inventories	63,133
Trade and other receivables	81,766
Cash at banks	127,657
Lease liability	(287,678)
Trade and other payables	(128,498)
Net assets	648,942
Purchase consideration received	(748,782)
Gain on disposal of a subsidiary	(99,840)
Total consideration	748,782
Cash at banks of the subsidiary	(127,657)
Net cash inflow arising from disposal of a subsidiary	621,125

Impairment loss on investment in subsidiaries

During the financial year, the Company recorded an impairment loss on investment in BESSB amounted to RM7,028,588 under other operating expenses of the Company's statement of comprehensive income after assessing the estimated recoverable amount of subsidiary which was determined based on the value-in-use as the said subsidiary was in continuing loss position.

7. **INVESTMENT IN SUBSIDIARIES** (CONT'D)

2025

Incorporation of new subsidiary

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

Acquisition of non-controlling interests

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

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

Addition of investment in subsidiaries

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

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

Impairment loss on investment in subsidiaries

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

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

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

	BESSB	
	2026	2025
	RM	RM
Loss allocated to NCI	**-**	(809,611)

Material accounting policy information

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

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

8. GOODWILL

	GROUP	
	2026	2025
	RM	RM
At cost	**13,567,631**	13,567,631
Less: Allowance for impairment	**(2,912,000)**	(2,912,000)
Carrying amount	**10,655,631**	10,655,631

Impairment testing for cash-generating units containing goodwill

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

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

Key assumptions used in value-in-use calculations

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

(i) Cash flow projections and growth rate

The five-year cash flow projections are prepared based on committed and estimated additional orders from both new and existing customers and management's past experience and future market expectations. The revenue for the first year of the five-year cash flow projections was forecasted at **RM35,355,445** (2025: RM36,000,000). Thereafter, an annual growth rate of **2.70%** (2025: 5.00%) was applied to the remaining years of the cash flow projections of the CGUs.

(ii) Discount rate

Pre-tax discount rate of **9.10%** (2025: 10.10%) was applied to the calculations in determining the recoverable amount of the CGU. The discount rate is estimated based on the weighted average cost of capital, taken into consideration risk-free rate and market risk of the country in which the CGUs operate.

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

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

Sensitivity to changes in key assumptions

Based on the sensitivity analysis performed, the management has concluded that any variation of up to **10%** (2025: 10%) on the annual growth rate and up to **5%** (2025: 4%) on the pre-tax discount rate would not cause the recoverable amount of the CGU carrying amount to be lower than its carrying amount under the base case assumption.

9. TRADE AND OTHER RECEIVABLES

		GROUP		COMPANY	
		2026	2025	**2026**	2025
	NOTE	**RM**	RM	**RM**	RM
Non-current					
Other receivables	**9.1**	**79,087**	437,034	**-**	-
Amount due from subsidiaries	**9.2**	**-**	-	**8,002,422**	7,883,082
		79,087	437,034	**8,002,422**	7,883,082
Current					
Trade receivables	**9.3**	**23,053,506**	17,286,158	**2,922,828**	2,602,710
Other receivables, deposits and prepayments	**9.1**	**112,577,366**	8,500,640	**105,452,130**	2,532,950
Amount due from subsidiaries	**9.2**	**-**	-	**5,230,605**	10,659,475
		135,630,872	25,786,798	**113,605,563**	15,795,135
Total trade and other receivables		**135,709,959**	26,223,832	**121,607,985**	23,678,217

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

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Ringgit Malaysia (“RM”)	**14,662,213**	18,072,028	**15,450,015**	23,412,237
Vietnamese Dong (“VND”)	**3,425,094**	4,163,540	**-**	-
United States Dollar (“USD”)	**117,596,733**	3,932,620	**106,157,970**	265,980
Others	**25,919**	55,644	**-**	-
	135,709,959	26,223,832	**121,607,985**	23,678,217

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

9. **TRADE AND OTHER RECEIVABLES** (CONT'D)

9.1 Other receivables, deposits and prepayments

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Other receivables	**478,234**	213,842	**-**	-
Advances to suppliers	**1,826,352**	105,778	**-**	-
Refundable deposits	**3,546,450**	2,922,423	**800**	-
Non-refundable deposits	**105,308,500**	-	**105,308,500**	-
Prepayments	**1,496,917**	5,695,631	**142,830**	2,532,950
	112,656,453	8,937,674	**105,452,130**	2,532,950

(i) Included in the refundable deposits of the Group is an amount of **RM1,190,000** (2025: RM1,190,000) due from a Company in which a person connected to a director of the Company has substantial financial interest.

(ii) Included in the non-refundable deposits of the Group and of the Company is an amount of **RM105,308,500** (2025: RM Nil) which represents partial purchase consideration made pursuant to the master sale and purchase agreements entered into with a company for the acquisition of the Allied Group, as disclosed in Note 33 to the financial statements.

9.2 Amount due from subsidiaries

	COMPANY	
	2026	2025
	RM	RM
Non-current		
Non-trade		
- Interest bearing at **5%** (2025: 5%) per annum	**12,338,702**	7,883,082
Less: Allowance for expected credit losses	**(4,336,280)**	-
	8,002,422	7,883,082
Current		
Trade	**2,407,329**	4,285,961
Non-trade		
- Interest bearing at **5%** (2025: 5%) per annum	**10,122,957**	9,907,708
Less: Allowance for expected credit losses	**(7,299,681)**	(3,534,194)
	2,823,276	6,373,514
	5,230,605	10,659,475
Total current and non-current amount due from subsidiaries	**13,233,027**	18,542,557

9. **TRADE AND OTHER RECEIVABLES** (CONT'D)

9.2 **Amount due from subsidiaries** (Cont'd)

The movement of the allowance for expected credit losses is as follows:

	COMPANY	
	2026	2025
	RM	RM
Balance at beginning	**(3,534,194)**	(3,998,968)
Addition	**(8,101,767)**	-
Written off	**-**	464,774
Balance at end	**(11,635,961)**	(3,534,194)

The amount due from subsidiaries is unsecured. The trade related balance is granted with credit term of **30 days** (2025: 30 days), while the non-trade related balance is classified based on the expected timing of realisation.

9.3 **Trade receivables**

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Trade receivables	**23,182,416**	17,421,729	**2,922,828**	2,602,710
Less: Allowance for ECL				
Balance at beginning	**(135,571)**	-	**-**	-
Addition	**(13,339)**	(135,571)	**-**	-
Reversal	**20,000**	-	**-**	-
Balance at end	**(128,910)**	(135,571)	**-**	-
	23,053,506	17,286,158	**2,922,828**	2,602,710

(i) The normal trade credit terms granted by the Group range from **30 to 90 days** (2025: 30 to 90 days). Other credit terms are assessed and approved on case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(ii) The carrying amount of trade receivables pledged as security for banking facilities granted to a subsidiary amounted **RM3,043,123** (2025: RM3,609,324).

10. **DEFERRED TAX ASSETS/(LIABILITIES)**

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Balance at beginning	**(10,268,584)**	233,623	**-**	10,000
Recognised profit or loss	**(11,109,879)**	(721,001)	**-**	-
Recognised in other comprehensive income	**(4,059,358)**	(9,907,932)	**-**	-
Disposal of a subsidiary	**(395,047)**	-	**-**	-
Foreign currency translation	**11,143**	(35,274)	**-**	-
	(25,821,725)	(10,430,584)	**-**	10,000
Over/(Under) provision in prior year	**1,399,919**	162,000	**-**	(10,000)
Balance at end	**(24,421,806)**	(10,268,584)	**-**	-

The recognised deferred tax assets/(liabilities), after appropriate offsetting, are as follows:

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Deferred tax assets	**61,266**	450,695	**-**	-
Deferred tax liabilities	**(24,483,072)**	(10,719,279)	**-**	-
	(24,421,806)	(10,268,584)	**-**	-

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

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Property, plant and equipment	**(248,930)**	(5,325,806)	**-**	(7,431)
Investment properties	**(10,646,000)**	-	**-**	-
Unabsorbed capital allowances	**251,000**	2,824,221	**-**	7,431
Unabsorbed reinvestment allowance	**-**	1,324,000	**-**	-
Unabsorbed tax losses	**-**	459,726	**-**	-
Revaluation reserve	**(13,936,798)**	(9,907,932)	**-**	-
Others	**158,922**	357,207	**-**	-
	(24,421,806)	(10,268,584)	**-**	-

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

11. INVENTORIES

	GROUP	
	2026	2025
	RM	RM
At cost		
Raw materials	**8,329,182**	6,217,276
Work-in-progress	**3,414,464**	1,157,602
Finished goods	**4,549,824**	3,131,851
Consumables	**2,223,390**	4,491,544
Goods-in-transit	**120,314**	154,646
	18,637,174	15,152,919
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	**99,381,012**	85,153,617
Inventories written down	**662,267**	54,614
Reversal of inventories written down	**(209,993)**	-

The carrying amount of inventories pledged as security for banking facilities granted to a subsidiary amounted to **RM4,044,794** (2025: RM4,871,318).

Material accounting policy information

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

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

12. OTHER INVESTMENT

	GROUP	
	2026	2025
	RM	RM
Financial assets at fair value through profit or loss (“FVTPL”)		
Short-term fund with a licensed financial institution	**-**	423,654

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

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

13. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Unencumbered:				
Fixed deposits with licensed banks	**221,120**	2,888,797	**-**	-
Cash in hand and at banks	**10,983,656**	17,723,766	**1,151,314**	9,405,541
	11,204,776	20,612,563	**1,151,314**	9,405,541
Encumbered:				
Restricted cash	**8,621,372**	-	**7,786,372**	-
Fixed deposits with licensed banks	**1,014,804**	457,007	**-**	-
	20,840,952	21,069,570	**8,937,686**	9,405,541

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

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
RM	**9,815,715**	17,065,095	**1,147,418**	9,401,166
USD	**9,845,069**	3,757,997	**7,786,583**	409
VND	**1,173,415**	2,104	**-**	-
Indian Rupee (“INR”)	**476**	229,781	**-**	-
Others	**6,277**	14,593	**3,685**	3,966
	20,840,952	21,069,570	**8,937,686**	9,405,541

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

Restricted cash represents deposits legally held by the banks which are not available for the Company’s use. These deposits are held as collateral for banking facilities as disclosed in Note 17 to the financial statements.

The effective interest rates per annum and maturities of the fixed deposits with licensed banks of the Group as at the end of the reporting period are ranging from **2.05% to 3.09%** (2025: 2.35% to 3.70%) per annum and **1 month to 12 months** (2025: 1 month to 12 months) respectively.

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

14. **SHARE CAPITAL**

	Number of ordinary shares		Amount	
	2026	2025	**2026**	2025
	Unit	Unit	**RM**	RM
Issued and fully paid with no par value:				
Balance at beginning	**297,671,091**	258,457,585	**64,237,782**	38,175,270
Issuance of ordinary shares pursuant to private placement	**-**	26,700,000	**-**	19,361,000
Shares issuance expenses	**-**	-	**-**	(318,401)
Issuance of ordinary shares pursuant to exercise of ESOS	**48,000**	12,513,506	**8,919**	7,019,913
Balance at end	**297,719,091**	297,671,091	**64,246,701**	64,237,782

2026

During the financial year, the Company had increased its issued and paid-up share capital from RM64,237,782 to RM64,246,701 by way of the issuance of 48,000 new ordinary shares amounting to RM8,919 from the exercise of options under the Company's Employee Share Option Scheme ("ESOS").

2025

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

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

15. **TREASURY SHARES**

The Company's mandate relating to the share buyback of up to 10% of the existing total paid-up share capital, inclusive of all treasury shares that have been bought back, was approved by the shareholders of the Company at the Annual General Meeting held on 29 August 2025.

2026

During the financial year, the Company did not repurchase or distribute any of its treasury shares.

15. **TREASURY SHARES** (CONT'D)

2025

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

The details of the shares repurchased are as follows :

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

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

16. **RESERVES**

		GROUP		**COMPANY**	
		2026	2025	**2026**	2025
	NOTE	**RM**	RM	**RM**	RM
Non-distributable:					
ESOS reserve	**16.1**	**-**	7,514,749	**-**	7,514,749
Foreign currency translation reserve	**16.2**	**(127,635)**	163,166	**-**	-
Revaluation reserve	**16.3**	**60,834,715**	47,560,098	**-**	-
		60,707,080	55,238,013	**-**	7,514,749

16. **RESERVES** (CONT'D)

16.1 ESOS reserve

	GROUP AND COMPANY	
	2026	2025
	RM	RM
Balance at beginning	**7,514,749**	5,436,434
ESOS granted	**616,925**	4,533,865
ESOS exercised	**(2,919)**	(2,387,689)
ESOS lapsed	**(8,128,755)**	(67,861)
Balance at end	**-**	7,514,749

The ESOS reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options. Further details of the ESOS are disclosed in Note 32 to the financial statements.

16.2 Foreign currency translation reserve

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

16.3 Revaluation reserve

	GROUP	
	2026	2025
	RM	RM
Balance at beginning	**47,560,098**	-
Revaluation of leasehold land and buildings	**13,437,557**	47,560,098
Annual crystallisation	**(162,940)**	-
Balance at end	**60,834,715**	47,560,098

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

17. BORROWINGS

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Non-current liabilities				
Secured:				
Hire purchases				
Minimum payments:				
Within one year	**94,546**	352,622	**-**	-
More than one year and less than two years	**12,232**	106,778	**-**	-
	106,778	459,400	**-**	-
Future finance charges	**(2,247)**	(16,545)	**-**	-
	104,531	442,855	**-**	-
Amount due within one year included under current liabilities	**(92,400)**	(152,952)	**-**	-
	12,131	289,903	**-**	-
Term loans				
Total amount repayable	**162,615,956**	47,618,143	**83,980,000**	-
Amount due within one year included under current liabilities	**(17,812,920)**	(6,832,805)	**(4,275,712)**	-
	144,803,036	40,785,338	**79,704,288**	-
	144,815,167	41,075,241	**79,704,288**	-
Current liabilities				
Secured:				
Bank overdrafts	**80,859**	-	**-**	-
Bankers' acceptance	**9,524,052**	5,241,000	**-**	-
Hire purchases	**92,400**	152,952	**-**	-
Term loans	**17,812,920**	6,832,805	**4,275,712**	-
	27,510,231	12,226,757	**4,275,712**	-
Total borrowings	**172,325,398**	53,301,998	**83,980,000**	-

The borrowings are secured by way of:

(i) legal charge over the property, plant and equipment and investment properties of certain subsidiaries as disclosed in Note 4 and 5 to the financial statements;
(ii) trade receivables of a subsidiary as disclosed in Note 9 to the financial statements;
(iii) inventories of a subsidiary as disclosed in Note 11 to the financial statements;
(iv) pledged of restricted cash as disclosed in Note 13 to the financial statements;
(v) pledged of fixed deposits with a licensed bank of certain subsidiaries as disclosed in Note 13 to the financial statements;
(vi) corporate guarantees of the Company;
(vii) Credit Guarantee Fund Trust for Micro and Small Enterprises guarantee;
(viii) pledged of 10% of the total issued capital of the Company; and
(ix) leased assets as disclosed in Note 4 to the financial statements.

17. **BORROWINGS** (CONT'D)

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

	Effective interest rates per annum	Total	Within one year	More than one year and less than five years	More than five years
	(%)	RM	RM	RM	RM
GROUP					
2026					
Bank overdraft	**6.97**	**80,859**	**80,859**	**-**	**-**
Bankers' acceptance	**3.36 to 4.97**	**9,524,052**	**9,524,052**	**-**	**-**
Hire purchases	**2.63 to 4.26**	**104,531**	**92,400**	**12,131**	**-**
Term loans	**2.35 to 11.00**	**162,615,956**	**17,812,920**	**56,215,626**	**88,587,410**
2025					
Bankers' acceptance	3.75 to 4.15	5,241,000	5,241,000	-	-
Hire purchases	2.63 to 4.26	442,855	152,952	289,903	-
Term loans	2.35 to 7.50	47,618,143	6,832,805	10,055,235	30,730,103
COMPANY					
2026					
Term loan	**7.42**	**83,980,000**	**4,275,712**	**40,383,795**	**39,320,493**

The currency profile of the borrowings is as follows:

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
RM	**86,805,398**	51,387,998	**-**	-
USD	**83,980,000**	-	**83,980,000**	-
VND	**1,540,000**	1,914,000	**-**	-
	172,325,398	53,301,998	**83,980,000**	-

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

18. DEFERRED INCOME

	2026 RM	2025 RM
Government grants		
Balance at beginning	**1,355,209**	1,515,668
Released	**(160,459)**	(160,459)
Balance at end	**1,194,750**	1,355,209
Represented by:		
Non-current	**1,034,290**	1,355,209
Current	**160,460**	-
	1,194,750	1,355,209

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

Material accounting policy information

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

19. TRADE AND OTHER PAYABLES

		GROUP		COMPANY	
	NOTE	2026 RM	2025 RM	2026 RM	2025 RM
Trade payables	19.1	**14,069,637**	6,004,262	**-**	4,154
Other payables and accruals	19.2	**41,605,645**	15,523,127	**19,250,816**	5,221,742
Amount due to subsidiaries	19.3	**-**	-	**19,219,459**	2,683,518
		55,675,282	21,527,389	**38,470,275**	7,909,414

19. **TRADE AND OTHER PAYABLES** (CONT'D)

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

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
RM	**26,594,234**	16,827,570	**21,445,781**	7,489,970
VND	**2,919,844**	3,817,957	**-**	-
USD	**26,123,774**	502,996	**16,998,285**	306,759
Singapore Dollar	**11,222**	153,150	**-**	-
Thai Baht	**26,208**	112,685	**26,209**	112,685
INR	**-**	113,031	**-**	-
	55,675,282	21,527,389	**38,470,275**	7,909,414

19.1 **Trade payables**

(i) The trade payables are non-interest bearing and are normally settled on **30 to 90 days** (2025: 30 to 90 days) credit terms.

(ii) Included in trade payables of the Group is an amount of **RM160,575** (2025: RM Nil) due from a Company in which a person connected to a director of the Company has substantial financial interest.

19.2 **Other payables and accruals**

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Other payables	**30,335,520**	5,054,915	**18,392,784**	1,984,020
Refundable deposits	**4,096,480**	4,193,909	**-**	77,169
Accruals	**7,171,900**	6,235,865	**858,032**	3,160,553
Sales and Service Tax ("SST") and Value-Added Tax ("VAT") payables	**1,745**	38,438	**-**	-
	41,605,645	15,523,127	**19,250,816**	5,221,742

(i) The other payables are non-interest bearing and are normally settled on **30 to 90 days** (2025: 30 to 90 days) credit terms.

(ii) Included in other payables of the Group and of the Company are an amount of **RM2,269,557** (2025: RM186,500) and **RM43,314** (2025: Nil) respectively payable for the purchase of property, plant and equipment.

(iii) Included in the other payables of the Group and of the Company is an amount of **RM16,957,500** (2025: RM Nil) due to Allied Group, the partial purchase consideration payable to the Vendor which to be settled by way of set off against the amount due from the Vendor to the Allied Group pursuant to the Conditions Fulfilment or Waiver Letter dated 30 January 2026, upon the completion of the Acquisition, as disclosed in Note 33 to the financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

19. **TRADE AND OTHER PAYABLES** (CONT'D)

19.3 **Amount due to subsidiaries**

	COMPANY	
	2026	2025
	RM	RM
Trade	**2,918,256**	265,980
Non-trade		
- Interest bearing at **5%** (2025: 5%) per annum	**15,786,436**	-
- Non-interest bearing	**514,767**	2,417,538
	19,219,459	2,683,518

The amount due to subsidiaries is unsecured and repayable on demand.

20. **REVENUE**

20.1 **Disaggregated revenue information**

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Types of revenue				
Precision engineering and precision injection moulding	**19,168,280**	18,935,277	**-**	-
Precision machining and stamping	**53,649,070**	48,564,894	**-**	-
Paper products	**23,172,318**	19,365,268	**-**	-
Electronic manufacturing services	**44,974,119**	23,457,260	**37,669,970**	14,333,298
Rental income	**8,573,869**	8,198,237	**-**	-
Total revenue from contracts with customers, recognised at point in time	**149,537,656**	118,520,936	**37,669,970**	14,333,298
Other revenue				
Management fee income	**-**	-	**6,804,000**	5,030,066
Dividend income	**-**	-	**-**	6,000,000
	-	-	**6,804,000**	11,030,066
Total revenue	**149,537,656**	118,520,936	**44,473,970**	25,363,364

Geographical markets

The revenue contribution geographically is based on the geographical location of customers and is disclosed in Note 27 to the financial statements.

20. **REVENUE** (CONT'D)

20.2 **Contract balances**

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Trade receivables (Note 9)	**23,053,506**	17,286,158	**2,922,828**	2,602,710

20.3 **Material accounting policy information**

20.3.1 **Precision engineering and plastic injection moulding**

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

20.3.2 **Precision machining and stamping**

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

20.3.3 **Paper products**

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

20.3.4 **Electronic manufacturing services**

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

20.3.5 **Management fee income**

Management fee income is recognised on an accrual basis.

21. **FINANCE INCOME**

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Interest income from:				
- deposits with licensed banks	**55,105**	279,783	**174**	3,633
- amount due from subsidiaries	**-**	-	**1,044,255**	299,246
	55,105	279,783	**1,044,429**	302,879

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

22. FINANCE COSTS

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Accretion of interest on lease liabilities	**151,631**	165,571	**-**	-
Interest expenses on:				
- bankers' acceptance	**284,867**	285,120	**-**	-
- bank overdrafts	**74,745**	75,494	**-**	-
- hire purchase	**14,298**	31,727	**-**	-
- term loans	**2,342,483**	2,095,229	**-**	-
- loan from a related party	**-**	18,333	**-**	-
- amount due to subsidiaries	**-**	-	**363,402**	-
- others	**6,462**	50,443	**-**	-
	2,874,486	2,721,917	**363,402**	-

23. PROFIT/(LOSS) BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
After charging:				
Auditors' remuneration				
- Statutory audits:				
- Grant Thornton Malaysia PLT ("GTM PLT")	**217,500**	188,000	**75,000**	53,000
- Other auditors	**58,467**	50,473	**-**	-
- Assurance related and other services:				
- GTM PLT	**5,000**	601,000	**5,000**	601,000
- Member firm	**313,480**	291,280	**313,480**	291,280
- Affiliate of GTM PLT	**-**	173,000	**-**	173,000
Bad debts written off	**14,455**	-	**-**	14,577
Depreciation:				
- property, plant and equipment	**7,220,114**	6,392,100	**161,587**	7,598
- right-of-use assets	**4,556,454**	687,756	**-**	-
Directors' fee from non-executive directors	**223,431**	211,800	**223,431**	211,800
Expenses relating to lease of low-value assets	**371,209**	218,345	**-**	-
Expenses relating to short-term leases	**1,823,103**	241,229	**-**	-
Impairment loss on:				
- investment in subsidiaries	**-**	-	**7,028,588**	7,747,241
- property, plant and equipment	**8,298,438**	-	**-**	-
Inventories written down	**662,267**	54,614	**-**	-

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

23. **PROFIT/(LOSS) BEFORE TAX** (CONT'D)

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Loss on foreign exchange:				
- Realised	**962,958**	815,045	**24,637**	64,748
- Unrealised	**205,194**	146,052	**22,356**	-
Loss on revaluation of property, plant and equipment	**-**	78,364	**-**	-
Property, plant and equipment written off	**13**	17,744	**-**	-
(i) Staff costs	**51,623,312**	45,431,970	**5,414,719**	6,003,023
And crediting:				
Deferred income released	**160,459**	160,459	**-**	-
Fair value gain on investment properties	**45,000,000**	-	**-**	-
Gain on disposal of:				
- a subsidiary	**99,840**	-	**16,296**	-
- property, plant and equipment	**137,290**	-	**-**	-
Gain on foreign exchange:				
- Realised	**-**	13,538	**-**	-
- Unrealised	**-**	79,579	**-**	-
Scrap sales	**1,113,314**	1,766,999	**-**	-
Reversal of inventories written down	**209,993**	-	**-**	-

(i) **Staff costs**

Salaries, bonus, wages, overtime, allowances and other benefits	**46,261,887**	36,697,662	**4,770,974**	4,074,791
Defined contribution plans ("EPF")	**4,057,398**	3,722,799	**592,087**	570,271
Social security contributions ("SOCSO') and employment insurance ("EIS")	**687,102**	477,644	**32,309**	18,391
Share based payment expenses	**616,925**	4,533,865	**19,349**	1,339,570
	51,623,312	45,431,970	**5,414,719**	6,003,023

23. **PROFIT/(LOSS) BEFORE TAX** (CONT'D)

Directors' emoluments

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

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Executive directors of the Company:				
- Salaries, bonus, allowances and other benefits	**1,271,855**	2,877,673	**1,271,855**	1,508,279
- EPF	**251,459**	426,055	**251,459**	271,849
- SOCSO and EIS	**2,089**	4,523	**2,089**	2,744
- Share based payment expenses	**86,761**	755,885	**-**	521,072
- Benefits-in-kind	**17,962**	56,646	**17,962**	36,479
	1,630,126	4,120,782	**1,543,365**	2,340,423
Executive directors of the subsidiaries:				
- Salaries, bonus and allowances	**1,238,818**	1,245,230	**736,134**	1,037,044
- EPF	**193,652**	170,459	**120,942**	145,475
- SOCSO and EIS	**4,294**	3,709	**2,553**	2,551
- Share based payment expenses	**34,828**	600,000	**-**	600,000
- Benefits-in-kind	**472**	-	**-**	-
	1,472,064	2,019,398	**859,629**	1,785,070
Non-executive directors of the Company:				
- Allowance	**64,750**	29,750	**64,750**	29,750
- Share based payment expenses	**19,349**	203,271	**19,349**	203,271
	84,099	233,021	**84,099**	233,021
Total directors' emoluments	**3,186,289**	6,373,201	**2,487,093**	4,358,514

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

23. **PROFIT/(LOSS) BEFORE TAX** (CONT'D)

Directors' emoluments (Cont'd)

The directors' remuneration can be further analysed as:

	GROUP		**COMPANY**	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Executive directors of the Company:				
Present directors	**1,630,126**	2,546,300	**1,543,365**	1,773,855
Past directors	**-**	1,574,482	**-**	566,568
	1,630,126	4,120,782	**1,543,365**	2,340,423
Executive directors of the subsidiaries:				
Present directors	**765,789**	976,343	**730,488**	976,343
Past directors	**706,275**	1,043,055	**129,141**	808,727
	1,472,064	2,019,398	**859,629**	1,785,070
Non-executive directors of the Company:				
Present directors	**68,360**	233,021	**68,360**	233,021
Past directors	**15,739**	-	**15,739**	-
	84,099	233,021	**84,099**	233,021

24. TAXATION

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Based on results for the financial year				
- Current tax:				
- Malaysian income tax	**(375,255)**	(991,171)	**(162,000)**	(5,000)
- Foreign income tax	**(136,535)**	(59,327)	**-**	-
- Deferred tax relating to the origination and reversal of temporary differences	**(11,109,879)**	(721,001)	**-**	-
	(11,621,669)	(1,771,499)	**(162,000)**	(5,000)
Over/(Under) provision in prior year:				
- Current tax	**108,300**	158,573	**5,000**	(17,325)
- Deferred tax	**1,399,919**	162,000	**-**	(10,000)
	1,508,219	320,573	**5,000**	(27,325)
	(10,113,450)	(1,450,926)	**(157,000)**	(32,325)

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

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Profit/(Loss) before tax	**24,279,709**	(9,446,389)	**(19,900,431)**	(4,341,863)
Income tax at Malaysian statutory tax rate of 24%	**(5,827,130)**	2,267,133	**4,776,103**	1,042,047
Different tax rates in other countries	**25,179**	(11,179)	**-**	-
Expenses not deductible for tax purposes	**(4,610,218)**	(2,932,358)	**(4,940,932)**	(2,472,752)
Income not subject to tax	**10,877,499**	38,545	**-**	1,440,038
Annual crystallisation of deferred tax on revaluation reserve	**30,492**	-	**-**	-
Utilisation of previously unrecognised deferred tax assets	**242,894**	-	**2,829**	-
Deferred tax assets not recognised	**(1,714,385)**	(1,133,640)	**-**	(14,333)
Effect of tax on fair value gain on investment properties	**(10,646,000)**	-	**-**	-
	(11,621,669)	(1,771,499)	**(162,000)**	(5,000)
Over/(Under) provision in prior year	**1,508,219**	320,573	**5,000**	(27,325)
	(10,113,450)	(1,450,926)	**(157,000)**	(32,325)

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

24. **TAXATION** (CONT'D)

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

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Deferred tax recognised:				
Property, plant and equipment	**20,038,101**	5,146,144	**269,607**	31,704
Unabsorbed capital allowances	**(14,978,610)**	(5,146,144)	**(269,607)**	(31,704)
Unabsorbed tax losses	**(3,359,145)**	-	**-**	-
Unabsorbed reinvestment allowance	**(1,700,346)**	-	**-**	-
	-	-	**-**	-
Deferred tax assets not recognised:				
Unabsorbed tax losses	**(11,715,252)**	(9,171,043)	**-**	-
Unabsorbed capital allowances	**(3,069,591)**	(2,145,576)	**-**	(11,789)
Unabsorbed reinvestment allowance	**(7,349,284)**	(5,452,588)	**-**	-
Others	**(975,378)**	(209,088)	**-**	-
	(23,109,505)	(16,978,295)	**-**	(11,789)

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

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Unabsorbed tax losses	**15,074,397**	9,908,831	**-**	-
Unabsorbed capital allowances	**19,094,034**	13,817,037	**269,607**	43,493
Unabsorbed reinvestment allowance	**9,049,630**	10,969,399	**-**	-
	43,218,061	34,695,267	**269,607**	43,493

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

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

The unabsorbed reinvestment allowance will be disregarded in YA 2045.

24. **TAXATION** (CONT'D)

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

	GROUP	
	2026	2025
	RM	RM
YA 2028	**-**	850,130
YA 2029	**737,698**	737,698
YA 2030	**228,236**	228,236
YA 2034	**781,259**	781,259
YA 2035	**914,784**	1,728,463
YA 2036	**3,139,058**	3,225,097
YA 2037	**7,119,237**	-
Indefinite	**2,154,125**	2,357,948
	15,074,397	9,908,831

25. **EARNINGS/(LOSS) PER SHARE**

(a) **Basic earnings/(loss) per share**

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

	GROUP	
	2026	2025
Profit/(Loss) attributable to the owners of the Company (RM)	**14,166,259**	(10,087,704)
Weighted average number of ordinary shares in issue, excluding treasury shares (Unit)	**294,831,117**	269,960,144
Earnings/(Loss) per share (sen)	**4.80**	(3.74)

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

25. **EARNINGS/(LOSS) PER SHARE** (CONT'D)

(b) **Diluted earnings/(loss) per share**

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

	GROUP	
	2026	2025
Profit/(Loss) attributable to the owners of the Company (RM)	**14,166,259**	(10,087,704)
Weighted average number of ordinary shares in issue, excludes treasury shares (Unit)	**294,831,117**	269,960,144
Adjustment for dilutive effect of ESOS (Unit)	**-**	4,675,748
	294,831,117	274,635,892
Diluted earnings/(loss) per share (sen)	**4.80**	(3.67)

26. **CAPITAL COMMITMENTS**

	GROUP	
	2026	2025
	RM	RM
Contracted but not provided for:		
- Leasehold building and improvements	**5,043,511**	-
- Plant and machinery	**199,735**	947,998

27. SEGMENTAL INFORMATION

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

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

Business Segments

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

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

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

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

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

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

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

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

	Precision Engineering and Precision Plastic Injection Moulding	Precision Machining and Stamping	Paper Products	Electronic Manufacturing Services	Investment	Total
	RM	RM	RM	RM	RM	RM
2026						
Revenue						
- total segment	22,294,526	54,523,935	23,172,318	82,331,833	17,150,419	199,473,031
- inter-segment	(3,126,246)	(874,865)	-	(37,357,714)	(8,576,550)	(49,935,375)
Revenue from external customers	19,168,280	53,649,070	23,172,318	44,974,119	8,573,869	149,537,656
Segment profits	3,718,425	6,238,754	(9,458,953)	(829,609)	39,196,594	38,865,211
Segment assets	47,134,500	53,416,904	6,670,910	52,579,006	261,635,606	421,436,926
Segment liabilities	92,419	61,590,191	5,005,906	51,211,522	123,787,950	241,687,988
Other information:						
- capital expenditure	82,420	33,559,804	43,516	1,794,135	7,622,345	43,102,220
- depreciation and amortisation	1,685,480	2,390,697	1,035,338	6,474,668	190,385	11,776,568
- non-cash expenses/(income) (other than depreciation and amortisation)	(150,315)	459,218	8,742,860	285,903	(45,002,986)	(35,665,320)

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

	Precision Engineering and Precision Plastic Injection Moulding	Precision Machining and Stamping	Paper Products	Electronic Manufacturing Services	Investment	Total
	RM	RM	RM	RM	RM	RM
2025						
Revenue						
- total segment	22,372,671	49,278,380	19,515,106	37,739,176	8,198,237	137,103,570
- inter-segment	(3,437,394)	(713,486)	(149,838)	(14,281,916)	-	(18,582,634)
Revenue from external customers	18,935,277	48,564,894	19,365,268	23,457,260	8,198,237	118,520,936
Segment profits	(1,042,222)	2,283,653	(2,215,298)	(3,122,836)	5,227,224	1,130,521
Segment assets	40,694,756	53,734,288	21,693,165	13,782,000	107,642,606	237,546,815
Segment liabilities	7,809,140	38,036,567	19,664,308	9,818,456	32,398,203	107,726,674
Other information:						
- capital expenditure	608,262	3,127,348	4,206	940,329	-	4,680,145
- depreciation and amortisation	1,915,523	2,932,791	1,068,182	455,221	708,139	7,079,856
- non-cash expenses (other than depreciation and amortisation)	2,213,653	893,989	241,943	37,017	1,505,201	4,891,803

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

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

Notes to segmental information:

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

	2026	2025
	RM	RM
Profit/(Loss) before tax		
Total profit for reportable segments	**38,865,211**	1,130,521
Finance costs	**(2,874,486)**	(2,721,917)
Finance income	**55,105**	279,783
Depreciation and amortisation	**(11,776,568)**	(7,079,856)
Elimination of inter-segment profit	**10,447**	(1,054,920)
	24,279,709	(9,446,389)
Segment assets		
Total reportable segments	**421,436,926**	237,546,815
Elimination of inter-segment transactions or balances	**(821,757)**	(13,925,204)
Current tax assets	**760,491**	678,546
Deferred tax assets	**61,266**	450,695
	421,436,926	224,750,852
Segment liabilities		
Total reportable segments	**241,687,988**	107,726,674
Elimination of inter-segment transactions or balances	**(8,911,532)**	(29,862,879)
Current tax liabilities	**73,680**	-
Deferred tax liabilities	**24,483,072**	10,719,279
	257,333,208	88,583,074

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

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

Non-cash expenses/(income) (other than depreciation and amortisation)

	2026 **RM**	2025 RM
Accretion of interest on lease liabilities	**151,631**	165,631
Allowance for expected credit losses:		
- Addition	**13,339**	135,571
- Reversal	**(20,000)**	-
Bad debts written off	**14,455**	-
Deferred income released	**(160,459)**	(160,459)
ESOS expenses	**616,925**	4,533,865
Fair value gain on investment properties	**(45,000,000)**	-
Gain on disposal of:		-
- a subsidiary	**(99,840)**	-
- property, plant and equipment	**(137,290)**	-
Impairment loss on property, plant and equipment	**8,298,438**	-
Inventories written down:		
- Addition	**662,267**	54,614
- Reversal	**(209,993)**	-
Loss on revaluation of property, plant and equipment	**-**	78,364
Property, plant and equipment written-off	**13**	17,744
Unrealised loss on foreign exchange, net	**205,194**	66,473
	(35,665,320)	4,891,803

Geographical segments

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

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

	Revenue		**Non-current assets**	
	2026 **RM**	2025 RM	**2026** **RM**	2025 RM
Malaysia	**103,861,058**	77,401,639	**233,251,745**	147,216,291
Vietnam	**20,629,729**	22,161,423	**1,519,708**	2,563,068
United States of America	**10,264,694**	8,619,522	**-**	-
Canada	**6,369,254**	-	**-**	-
Europe	**221,107**	436,110	**-**	-
Others	**8,191,814**	9,902,242	**-**	316,646
	149,537,656	118,520,936	**234,771,453**	150,096,005

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

28. RELATED PARTY DISCLOSURES

(i) Identity of related parties

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

Related party		Relationship
MIHO Technology Sdn. Bhd.	:	A company in which a person connected to a director of the Company who has substantial financial interests since 1 October 2025.

(ii) Related Parties Transactions

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

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Transaction with subsidiaries:				
- Management fee	**-**	-	**6,804,000**	5,030,065
- Dividend income	**-**	-	**-**	6,000,000
- Interest income	**-**	-	**1,044,255**	299,246
- Interest expenses	**-**	-	**(363,402)**	-
- Loan granted from/(to)	**-**	-	**12,618,000**	(13,690,000)
Transaction with a related party:				
- Subcon charges paid/payable	**792,274**	-	**-**	-

(iii) Compensation of key management personnel

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

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

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Directors' fees	**223,431**	211,800	**223,431**	211,800
Salaries, bonus, allowances and other benefits	**2,719,063**	4,328,648	**2,214,639**	2,580,368
EPF	**461,502**	596,514	**388,792**	417,324
Share based payment expenses	**140,938**	1,559,156	**19,349**	1,324,343
Benefits-in-kind	**18,435**	56,646	**17,962**	36,479
	3,563,369	6,752,764	**2,864,173**	4,570,314

28. **RELATED PARTY DISCLOSURES** (CONT'D)

(iii) **Compensation of key management personnel** (Cont'd)

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Analysed as:				
- Directors of the Company	**1,937,656**	4,565,603	**1,850,895**	2,785,244
- Directors of the subsidiaries	**1,472,064**	2,019,398	**859,629**	1,785,070
- Key management personnel	**153,649**	167,763	**153,649**	-
	3,563,369	6,752,764	**2,864,173**	4,570,314

29. **FINANCIAL INSTRUMENTS**

29.1 **Categories of financial instruments**

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

	Carrying amount	AC	FVTPL
	RM	**RM**	**RM**
GROUP			
2026			
Financial assets			
Trade and other receivables, excluding non-refundable deposits and prepayments	**28,904,542**	**28,904,542**	**-**
Cash and bank balances	**20,840,952**	**20,840,952**	**-**
	49,745,494	**49,745,494**	**-**
Financial liabilities			
Trade and other payables, excluding non-refundable deposit, SST and VAT payables	**55,673,537**	**55,673,537**	**-**
Borrowings	**172,325,398**	**172,325,398**	**-**
	227,998,935	**227,998,935**	**-**

29. **FINANCIAL INSTRUMENTS** (CONT'D)

29.1 **Categories of financial instruments** (Cont'd)

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
2025			
Financial assets			
Other investment	423,654	-	423,654
Trade and other receivables, excluding prepayments	20,528,201	20,528,201	-
Cash and bank balances	21,069,570	21,069,570	-
	42,021,425	41,597,771	423,654
Financial liabilities			
Trade and other payables, excluding non-refundable deposit, SST and VAT payables	21,488,951	21,488,951	-
Borrowings	53,301,998	53,301,998	-
	74,790,949	74,790,949	-
COMPANY			
2026			
Financial asset			
Trade and other receivables, excluding non-refundable deposits and prepayments	**16,156,655**	**16,156,655**	**-**
Cash and bank balances	**8,937,686**	**8,937,686**	**-**
	25,094,341	**25,094,341**	**-**
Financial liabilities			
Trade and other payables, excluding SST and VAT payables	**38,470,275**	**38,470,275**	**-**
Borrowings	**83,980,000**	**83,980,000**	**-**
	122,450,275	**122,450,275**	**-**

29. **FINANCIAL INSTRUMENTS** (CONT'D)

29.1 **Categories of financial instruments** (Cont'd)

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

29.2 **Financial risk management**

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

29.3 **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group's exposure to credit risk arises principally from its trade receivables whilst the Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees provided to financial institutions in respect of credit facilities granted to certain subsidiaries.

29.3.1 **Trade receivables**

The Group gives its customers credit terms that range between **30 to 90 days** (2025: 30 to 90 days). In deciding whether credit shall be extended, the Group will take into consideration factors such as relationship with the customer, its payment history and credit worthiness. The Group subjects new customers to credit verification procedures. In addition, receivables balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount as disclosed in Note 9 to the financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

29. **FINANCIAL INSTRUMENTS** (CONT'D)

29.3 **Credit risk** (Cont'd)

29.3.1 **Trade receivables** (Cont'd)

The ageing analysis of trade receivables of the Group and of the Company as at the end of the reporting period is as follows:

	Gross RM	Allowance for ECL RM	Net RM
GROUP			
2026			
Not past due	**17,529,577**	**-**	**17,529,577**
1 to 30 days past due	**3,250,870**	**-**	**3,250,870**
31 to 60 days past due	**1,174,716**	**-**	**1,174,716**
61 to 90 days past due	**410,558**	**-**	**410,558**
More than 90 days past due	**687,785**	**-**	**687,785**
	5,523,929	**-**	**5,523,929**
Individually impaired	**128,910**	**(128,910)**	**-**
	23,182,416	**(128,910)**	**23,053,506**
2025			
Not past due	14,093,268	-	14,093,268
1 to 30 days past due	2,206,264	-	2,206,264
31 to 60 days past due	665,284	-	665,284
61 to 90 days past due	107,288	-	107,288
More than 90 days past due	214,054	-	214,054
	3,192,890	-	3,192,890
Individually impaired	135,571	(135,571)	-
	17,421,729	(135,571)	17,286,158
COMPANY			
2026			
Not past due	**2,922,828**	**-**	**2,922,828**
2025			
Not past due	2,602,710	-	2,602,710

29. **FINANCIAL INSTRUMENTS** (CONT'D)

29.3 **Credit risk** (Cont'd)

29.3.1 **Trade receivables** (Cont'd)

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group and the Company. None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

The Group has trade receivables amounting to **RM5,523,929** (2025: RM3,192,890) that are past due but not impaired as the management is of the view that these debts will be collected in due course.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The Group has significant concentration of credit risk in the form of outstanding balance due from **1 customer** (2025: 1 customer) representing **32%** (2025: 25%) of the total trade receivables, while the Company has significant concentration of credit risk in the form of outstanding balance due from **1 customer** (2025: 1 customer) representing **100%** (2025: 100%) of the total trade receivables.

Maximum exposure to credit risk

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Gross	Allowance for ECL	Net
	RM	RM	RM
Credit risk rating			
GROUP			
2026			
Low risk	**23,053,506**	**-**	**23,053,506**
Individually impaired	**128,910**	**(128,910)**	**-**
	23,182,416	**(128,910)**	**23,053,506**
2025			
Low risk	17,286,158	-	17,286,158
Individually impaired	135,571	(135,571)	-
	17,421,729	(135,571)	17,286,158

29. **FINANCIAL INSTRUMENTS** (CONT'D)

29.3 **Credit risk** (Cont'd)

29.3.1 **Trade receivables** (Cont'd)

Maximum exposure to credit risk (Cont'd)

	Gross	**Allowance for ECL**	**Net**
	RM	**RM**	**RM**
Credit risk rating			
COMPANY			
2026			
Low risk	**2,922,828**	**-**	**2,922,828**
2025			
Low risk	2,602,710	-	2,602,710

In managing the credit risk of the trade receivables, the Group and the Company manage their debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group and the Company measure the allowance for ECLs of trade receivables at an amount equal to lifetime ECL using a simplified approach. The ECLs on trade receivables are estimated based on past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables such as liquidation and bankruptcy. Forward looking information such as gross domestic product rate has been incorporated in determining the ECLs.

Trade receivables are usually collectible and the Group and the Company do not have much historical bad debts written off or impairment of trade receivables. There are circumstances where the settlement of trade receivables will take longer than the credit terms given to the customers. The delay in settlement is mainly due to disagreement of pricing and quality issue or administrative matter. No ECLs is provided for the low credit risk trade receivables during the financial year based on the above assessment as the impact to the Group's and the Company's financial statements is not material.

29.3.2 **Other receivables**

The Group applies the 3-stage general approach to measuring ECL for its other receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

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

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

No ECL is recognised on other receivables as it is negligible.

29. **FINANCIAL INSTRUMENTS** (CONT'D)

29.3 **Credit risk** (Cont'd)

29.3.3 **Intercompany balances**

The Company provides advances to its subsidiaries and monitors their results regularly.

The maximum exposure to credit risk is represented by the carrying amount as disclosed in Note 9 to the financial statements.

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable except for the impairment made for advance to the subsidiaries as disclosed in Note 9 to the financial statements. The Company does not specifically monitor the ageing of these advances.

29.3.4 **Cash and Cash Equivalents**

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

29.3.5 **Financial guarantees**

The Company has issued financial guarantees to financial institutions for banking facilities granted to certain subsidiaries

	COMPANY	
	2026	2025
	RM	RM
Corporate guarantees issued to financial institutions for banking facilities granted to certain subsidiaries		
- Limit	**181,007,000**	57,770,000
- Maximum exposure	**75,779,256**	48,073,679

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment. The directors considered that the fair value of the financial guarantee contracts on initial recognition is insignificant.

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

29. **FINANCIAL INSTRUMENTS** (CONT'D)

29.4 **Liquidity risk**

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

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

	Carrying amount	**Contractual cash flows**	**Within one year**	**More than one year and less than five years**	**More than five years**
	RM	**RM**	**RM**	**RM**	**RM**
GROUP					
2026					
Non-derivative financial liabilities					
Borrowings	**172,325,398**	**224,866,828**	**29,095,451**	**86,171,327**	**109,600,050**
Lease liabilities	**3,581,026**	**3,621,831**	**3,621,831**	**-**	**-**
Trade and other payables, excluding SST and VAT payables	**55,673,537**	**55,673,537**	**55,673,537**	**-**	**-**
Total undiscounted financial liabilities	**231,579,961**	**284,162,196**	**88,390,819**	**86,171,327**	**109,600,050**
2025					
Non-derivative financial liabilities					
Borrowings	53,301,998	70,893,791	13,023,345	17,281,363	40,589,083
Lease liabilities	1,679,199	1,957,450	616,991	1,181,214	-
Trade and other payables, excluding SST and VAT payables	21,488,951	21,488,951	21,488,951	-	-
Total undiscounted financial liabilities	76,470,148	94,340,192	35,129,287	18,462,577	40,589,083

29. **FINANCIAL INSTRUMENTS** (CONT'D)

29.4 **Liquidity risk** (Cont'd)

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM	More than five years RM
COMPANY					
2026					
Non-derivative financial liabilities					
Borrowings	**83,980,000**	**113,057,543**	**10,251,756**	**58,750,471**	**44,055,316**
Trade and other payables, excluding non-refundable deposit, SST and VAT payables	**38,470,275**	**38,470,275**	**38,470,275**	**-**	**-**
* Financial guarantee	**-**	**75,779,256**	**75,779,256**	**-**	**-**
Total undiscounted financial liabilities	**122,450,275**	**227,307,074**	**124,501,287**	**58,750,471**	**44,055,316**
2025					
Non-derivative financial liabilities					
Trade and other payables, excluding non-refundable deposit, SST and VAT payables	7,909,414	7,909,414	7,909,414	-	-
* Financial guarantee	-	48,073,679	48,073,679	-	-
Total undiscounted financial liabilities	7,909,414	55,983,093	55,983,093	-	-

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

29. **FINANCIAL INSTRUMENTS** (CONT'D)

29.5 Interest rate risk

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

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

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Fixed rate instruments				
Financial assets	**1,235,924**	3,345,804	**10,825,698**	14,256,596
Financial liabilities	**50,772,497**	47,641,612	**15,786,436**	-
Variable rate instruments				
Financial liabilities	**121,552,901**	5,660,386	**83,980,000**	-

Sensitivity analysis for fixed rate instruments

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

Sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have impacted the Group's and the Company's profit/loss before tax and equity by the amount shown below, and a corresponding decrease would have an equal but opposite effect. These changes are considered to be reasonably possible based on observation of current market conditions. This analysis assumes that all other variables remain constant.

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
Decrease in profit before tax	**303,882**	-	**209,950**	-
Increase in loss before tax	-	14,151	-	-
Decrease in equity	**230,950**	10,755	**159,562**	-

29. **FINANCIAL INSTRUMENTS** (CONT'D)

29.6 Foreign currency risk

The objectives of the Group's and of the Company's foreign exchange policies are to allow the Group and the Company to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group and the Company to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in currencies other than the functional currency of the Group entities. The Group and the Company also hold cash and bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk is primarily United States Dollar ("USD").

Sensitivity analysis for foreign currency risk

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

	GROUP		**COMPANY**	
	2026	2025	**2026**	2025
	RM	RM	**RM**	RM
USD/RM				
Decrease in profit before tax	**868,121**	-	**629,147**	-
Increase/(Decrease) in loss before tax	**-**	359,381	**-**	(2,019)
Decrease/(Increase) in equity	**659,772**	273,130	**478,152**	(1,534)
USD/VND				
Decrease in profit before tax	**20,466**	-	**-**	-
Decrease in loss before tax	**-**	(69,170)	**-**	-
Decrease/(Increase) in equity	**15,554**	(52,569)	**-**	-

29.7 Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's financial assets designated at FVTPL will fluctuate because of changes in market prices. Equity price risk arises from the Group's other investment which is the short-term fund with a licensed financial institution.

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the executive directors of the Company.

NOTES TO THE **FINANCIAL STATEMENTS**
31 MARCH 2026 (CONT'D)

29. **FINANCIAL INSTRUMENTS** (CONT'D)

29.7 **Equity price risk** (Cont'd)

Sensitivity analysis for equity price risk

A 1% increase in prices of the short-term funds with licensed financial institutions at the end of the reporting period, with all other variables held constant, would have impacted on the Group's profit/(loss) before tax and equity by the amount shown below, and a decrease would have an equal but opposite effect, arising as a result of higher/lower fair value gain on short-term funds.

	GROUP AND COMPANY	
	2026	2025
	RM	RM
Decrease in loss before tax and increase in equity	**-**	427,890

30. **FAIR VALUE MEASUREMENT**

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

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

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

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

	Level 1	Level 2	Level 3	Total	Carrying amount
	RM	RM	RM	RM	RM
GROUP					
2025					
Financial asset					
Other investment	423,654	-	-	423,654	423,654

Level 1 fair value

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

Policy on transfer between levels

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

30. **FAIR VALUE MEASUREMENT** (CONT'D)

30.2 **Fair value measurement of non-financial assets**

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
GROUP				
2026				
Leasehold land and buildings	**-**	**-**	**70,621,000**	**70,621,000**
Investment properties	**-**	**-**	**140,000,000**	**140,000,000**
2025				
Leasehold land and buildings	-	-	24,360,000	24,360,000
Investment properties	-	-	95,000,000	95,000,000

Level 3 fair value

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

2026

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Market comparison approach: Sales price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	Price per square foot is RM40 to RM315.	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).

30. **FAIR VALUE MEASUREMENT** (CONT'D)

30.2 **Fair value measurement of non-financial assets** (Cont'd)

Level 3 fair value (Cont'd)

2025

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Market comparison approach: Sales price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	Price per square foot is RM40 to RM180.	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).
Income approach (also known as Investment method): The valuation method considers the net annual income to be generated from the property by deducting the annual outgoings from the gross annual income and capitalising the net income by a suitable rate of return consistent with the type and quality of investment.	- Void rate 5.00%. - Revisionary capitalisation rate 7%.	The estimated fair value would increase/(decrease) if: - Void rate was lower/(higher); - Revisionary capitalisation rate were lower/(higher).

Policy on transfer between levels

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

Valuation processes applied by the Group for Level 3 fair value

The fair values of leasehold land and buildings as well as investment properties are determined by independent valuation specialists, having appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. The valuation specialists determine the fair values of the Group's leasehold land and buildings classified under property, plant and equipment with sufficient regularity and the fair values of investment properties on an annual basis.

30. **FAIR VALUE MEASUREMENT** (CONT'D)

30.2 **Fair value measurement of non-financial assets** (Cont'd)

Valuation processes applied by the Group for Level 3 fair value (Cont'd)

Had the properties been carried under the cost model, the total carrying amounts of their entire classes that would have been recognised in the consolidated financial statements are as follows:

	Leasehold land	Buildings and improvements	Total
	RM	RM	RM
GROUP			
2026			
Cost	**9,334,657**	**46,305,819**	**55,640,476**
Accumulated depreciation	**(2,406,910)**	**(10,727,657)**	**(13,134,567)**
Carrying amount	**6,927,747**	**35,578,162**	**42,505,909**
2025			
Cost	4,834,657	18,544,589	23,379,246
Accumulated depreciation	(2,013,014)	(8,954,420)	(10,967,434)
Carrying amount	2,821,643	9,590,169	12,411,812

31. **CAPITAL MANAGEMENT**

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

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

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

	GROUP		COMPANY	
	2026	2025	**2026**	2025
Total borrowings (RM)	**172,325,398**	53,301,998	**83,980,000**	-
Total equity (RM)	**164,103,718**	136,167,778	**59,540,435**	78,974,941
Gearing ratio (times)	**1.05**	0.39	**1.41**	N/A

32. **EMPLOYEE SHARE OPTION SCHEME ("ESOS")**

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

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

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

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

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

The ESOS scheme expired on 28 February 2026. As a result, all unexercised ESOS have lapsed.

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

2026

		Number of ESOS				
Grant date	**Exercise price RM**	**Balance at 1.4.2025**	**Granted**	**Exercised**	**Lapsed**	**Balance at 31.3.2026**
5.8.2020	0.125	197,000	-	(48,000)	(149,000)	-
20.4.2023	0.605	19,927,894	-	-	(19,927,894)	-
4.7.2024	0.700	9,185,000	-	-	(9,185,000)	-
19.12.2024	0.700	800,000	-	-	(800,000)	-

2025

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

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

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

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

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

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

The main features of the ESOS are as follows:-

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

In respect of a director, the director must be at least 18 years of age and is not an undischarged 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.

33. SIGNIFICANT EVENT

On 28 May 2025, the Company entered into a master sale and purchase agreement (“MSPA”) with Allied Technologies Holdings Pte. Ltd. (“Vendor”) for the acquisition of 100% equity interest (“the Acquisition”) in Allied Precision Technologies (M) Sdn. Bhd., Allied Precision Manufacturing (M) Sdn. Bhd., Allied Technologies (Saigon) Co., Ltd. and Allied Precision (Thailand) Co., Ltd. (collectively referred to as “Allied Group”) for a total purchase consideration of up to USD38,000,000.

Pursuant to the MSPA, the Company paid a deposit and part of the purchase consideration (“Part Purchase Price”) of USD1,000,000 and USD25,000,000, respectively, during the financial year. The aggregate amount of deposit and Part Purchase Price was equivalent to RM105,308,500 as disclosed in Note 9.1 (iii) to the financial statements. The remaining purchase consideration of USD12,000,000 is payable subsequent to the completion of the Acquisition pursuant to the MSPA as follows:

(i) USD6,000,000 shall be paid to the Vendor three months from the date of completion of the Acquisition; and

(ii) USD6,000,000 shall be retained as security for any possible adjustment to the purchase consideration depending on the fulfilment of the aggregate audited earnings before interest, taxes, depreciation and amortisation, gain/loss on derecognition of right-of-use assets and lease liabilities, gain/loss on disposal of property, plant and equipment, gain/loss on foreign exchange and property, plant and equipment written off of Allied Group (“Operational EBITDA”) for the period from 1 April 2025 to 31 March 2027, which shall not be less than USD8,000,000.

On 8 April 2026, the Acquisition was completed following the fulfilment or waiver of pre-completion and completion matters stipulated in the MSPA, as well as receipt of a notification from the Vendor that it had received the Part Purchase Price. Upon completion of the Acquisition, the Allied Group became wholly-owned subsidiaries of the Company.

DISCLOSURE OF **FINANCIAL DATA FOR SHARIAH SCREENING**

Pursuant to Rule 9.25A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council ("**SAC**") of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

		Group	
Total Income	**Remarks**	**2026 RM**	**2025 RM**
Revenue		149,537,656	118,520,936
Other income		46,766,577	3,938,308
Interest income		55,105	279,783
Total		196,359,338	122,739,027
Total Assets		**421,436,926**	**224,750,852**

(b) Business Activities

		Group	
Shariah Non-Compliant Activities	**Remarks**	**2026 RM**	**2025 RM**
Interest income	Included rebate of fee and overnight interest earned from short term fund	42,349	269,206

(c) Component of Financial Position

(i) Cash Component

		Group	
Islamic Account/Instruments	**Remarks**	**2026 RM**	**2025 RM**
Cash at bank (exclude cash in hand)		9,804,998	6,370,358
Cash in hand		27,112	24,027
Deposit with licensed bank		852,911	457,007
Total		**10,685,021**	**6,851,392**

		Group	
Conventional Account/Instruments	**Remarks**	**2026 RM**	**2025 RM**
Cash at bank (exclude cash in hand)		9,772,919	11,329,381
Deposit with licensed bank		383,012	2,888,797
Short-term funds		-	423,654
Total		**10,155,931**	**14,641,832**

DISCLOSURE OF **FINANCIAL DATA FOR SHARIAH SCREENING** (CONT'D)

(c) Component of Financial Position (Cont'd)

(ii) Debt Component

		Group	
Islamic Financing	**Remarks**	**2026 RM**	**2025 RM**
Current			
Banker's acceptance		7,322,052	3,086,000
Term financing		8,122,013	4,769,827
Non-Current			
Islamic Hire purchase payables		-	185,372
Term financing		143,975,427	39,808,488
Total		**159,419,492**	**47,849,687**

		Group	
Conventional Borrowing	**Remarks**	**2026 RM**	**2025 RM**
Current			
Bank Overdraft		80,859	-
Banker's acceptance		2,202,000	2,155,000
Term financing		9,690,907	2,062,978
Hire purchase payables		92,400	152,952
Non-Current			
Term financing		827,609	976,850
Hire purchase payables		12,131	104,531
Total		**12,905,906**	**5,452,311**

LIST OF **PROPERTIES**
AS AT 31 MARCH 2026

Location	Description	Area (sq.m.)	Existing Use	Tenure/Age of Building	Carrying Amount as at 31.03.2026 RM'000	Date of Acquisition/ Revaluation
H.S.(D) 55923, Lot No. PT 830, Mukim 13, District of Seberang Perai Tengah, Pulau Pinang. Bearing postal address: 978 (also known as PT830), Lorong Perindustrian Bukit Minyak 20, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang.	Industrial land erected with factory cum office buildings and ancillary structures	40,604	Factory/ Office	Leasehold for 48 years expiring on 19.05.2068 / 19 years	140,000	02.10.2020/ 31.03.2026
PN 11310, Lot No. 10287, Mukim 01, District of Seberang Perai Tengah, Pulau Pinang. Bearing postal address: 3077 Lorong Perusahaan 4, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang	Industrial land erected with factory cum office buildings and ancillary structures	8,093	Factory/ Office	Leasehold for 7 years expiring on 21.11.2032 / 9 years	30,417	01.08.2025
HSD No. 1103, Lot No Lain-lain PTK No. 4, Mukim of Kesang, District of Tangkak, Johor Darul Takzim. Bearing postal address: K27 Jalan Perindustrian Utama, Kawasan Perindustrian Tanjung Agas, 84000 Kesang, Johor Darul Takzim.	Industrial land erected with factory cum officebuildings and ancillary structures	24,281	Factory/ Office	Leasehold for 60 years expiring on 31.05.2081 / 32 years	30,000	11.10.2006/ 31.03.2026
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 officebuildings and ancillary structures	4,063	Factory/ Office	Leasehold for 60 years expiring on 23.04.2068 / 17 years	7,169	18.07.2011/ 31.03.2025
Lot No. 4787 held under GRN 150425, Mukim 13, Seberang Perai Tengah, Pulau Pinang. Bearing postal address: 17, Lorong Seri Juru 1, Taman Seri Juru, 14100 Simpang Ampat, Pulau Pinang.	Double storey semi-detached house	232	Employee hostel	Freehold /22 years	538	16.06.2010/ 31.03.2025
Lot No. 5491 held under GM361, Mukim 13, Seberang Perai Tengah, Pulau Pinang. Bearing postal address: 35, Lorong Seri Juru 3, Taman Seri Juru, 14100 Simpang Ampat, Pulau Pinang.	Double storey semi-detached house	231	Employee hostel	Freehold /22 years	499	30.11.2011/ 31.03.2025

ANALYSIS OF SHAREHOLDINGS
AS AT 30 JUNE 2026

Total Number of Issued Shares	: 297,719,091 (including 3,110,000 treasury shares)
Class of Shares	: Ordinary Shares
Voting Right	: One vote per share on a poll
Number of Shareholders	: 3,443

DISTRIBUTION OF SHAREHOLDINGS

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100 shares	35	1.01	1,400	0.00
100 to 1,000 shares	425	12.34	198,684	0.07
1,001 to 10,000 shares	1,324	38.46	7,923,970	2.66
10,001 to 100,000 shares	1,324	38.46	47,747,280	16.04
100,001 and less than 5% of issued shares	333	9.67	179,352,600	60.24
5% and above of issued shares	2	0.06	62,495,157	20.99
Total	**3,443**	**100.00**	**297,719,091**	**100.00**

LIST OF TOP THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

No.	Name of Shareholders	No. of Shares	%
1	Cheah Jik Capital Sdn. Bhd.	36,247,579	12.30
2	Indowang Sdn. Bhd.	26,247,578	8.91
3	Indowang Sdn. Bhd.	10,000,000	3.39
4	Anucia A/P Muthucumaru	6,644,000	2.26
5	Eastbay Capital Sdn. Bhd.	6,371,400	2.16
6	Jayshree A/P Mahendran	5,810,000	1.97
7	Poscon Engineering Sdn. Bhd.	5,000,000	1.70
8	Reubendra A/L Jeganathan	4,250,000	1.44
9	Teoh Hin Heng	3,274,300	1.11
10	Public Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Albert Lim Eng Keat (E-BBB)	3,209,100	1.09
11	Maybank Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Jincan Sdn. Bhd.	2,900,000	0.98
12	Maybank Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Gan Tee Jin	2,671,400	0.91
13	Gor Siew Phaik	2,645,700	0.90
14	Tan Ai Ling	2,600,000	0.88
15	Chong Jia Shun	2,572,600	0.87
16	Ng Yoke Hin	2,302,000	0.78
17	Yong Chan Cheah	2,090,400	0.71
18	Yong Swee Chuan	2,090,400	0.71
19	Chia Gin Fook	1,990,000	0.67
20	Ooi Eng Hock	1,890,000	0.64

ANALYSIS OF **SHAREHOLDINGS**
AS AT 30 JUNE 2026 (CONT'D)

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

No.	Name of Shareholders	No. of Shares	%
21	Lim Willie	1,800,000	0.61
22	Musharaka Tech Venture Sdn. Bhd.	1,680,000	0.57
23	Leong Kar Fatt	1,650,000	0.56
24	Tasec Nominees (Tempatan) Sdn. Bhd. Qualifier: Exempt an for TA Investment Management Berhad (Clients)	1,622,700	0.55
25	Gan Joe Yee	1,600,000	0.54
26	Lee Goek Ching	1,598,900	0.54
27	Tay Moy Koh	1,480,000	0.50
28	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Qualifier: Pledge Securities Account for Tay Moy Koh (MY3164)	1,475,100	0.50
29	Sundaram A/L Vellayan	1,469,000	0.50
30	Teh Guan Sen	1,400,000	0.47

SUBSTANTIAL SHAREHOLDERS

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

DIRECTORS' SHAREHOLDINGS

No.	Name	Direct No. of Shares	%	Indirect No. of Shares	%
1	Yong Chan Cheah	2,090,400	0.71	36,247,579~	12.30
2	Gor Siew Yeng *(Retired on 01 July 2026)*	711,000	0.24	200,000*	0.07
3	Dato' Dr. Mohd Sofi Bin Osman	-	-	-	-
4	Dato' Jimmy Ong Chin Keng	-	-	-	-
5	Yong Li-Xiang	-	-	-	-
6	Najihah Binti Abas	-	-	-	-

~ Deemed interest pursuant to Section 8(4) of the Companies Act 2016 ("Act") by virtue of his substantial shareholdings in Cheah Jik Capital Sdn. Bhd.
^ Deemed interest pursuant to Section 8(4) of the Act by virtue of his/her substantial shareholdings in Indowang Sdn. Bhd.
* Indirect interest through spouse pursuant to Section 59(11)(c) of the Act

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Twenty-Fourth (“**24th**”) Annual General Meeting (“**AGM**”) of **YBS INTERNATIONAL BERHAD** (“**YBS**” or “**the Company**”) will be convened and held at Mertajam, Level 1, Holiday Inn & Suites Penang Prai, 1919 Menara Sentral, Jalan Juru Sentral, 14000 Bukit Mertajam, Pulau Pinang on **Friday, 28 August 2026** at **10.00 a.m**, or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the resolutions set out in this notice:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2026 together with the Reports of the Directors and Auditors thereon.

2. To approve the payment of Directors’ fees of up to RM300,000 to the Independent Non-Executive Directors for the period commencing one day after the 24th AGM until the conclusion of the next AGM of the Company in 2027 and further, to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine. **Ordinary Resolution 1**

3. To approve the payment of Directors’ benefits payable of up to RM100,000 for the period commencing one day after the 24th AGM until the conclusion of the next AGM of the Company in 2027 and further, to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine. **Ordinary Resolution 2**

4. To re-elect Yong Chan Cheah who retires in accordance with Paragraph 102(1) of the Company’s Constitution and who, being eligible, offer himself for re-election. **Ordinary Resolution 3**

5. To re-elect the following Directors who retire in accordance with Paragraph 107(2) of the Company’s Constitution and who, being eligible, offer themselves for re-election:

   (a) Yong Li-Xiang **Ordinary Resolution 4**

   (b) Najihah Binti Abas **Ordinary Resolution 5**

6. To re-appoint Grant Thornton Malaysia PLT as auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions with or without modifications:

<u>ORDINARY RESOLUTION</u>

7. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **Ordinary Resolution 7**

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

NOTICE OF **ANNUAL GENERAL MEETING** (CONT'D)

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

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

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

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

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

SPECIAL RESOLUTION

8. **PROPOSED CHANGE OF NAME OF THE COMPANY FROM "YBS INTERNATIONAL BERHAD" TO "ALLIED ADVANCE TECHNOLOGIES BERHAD" ("PROPOSED CHANGE OF COMPANY NAME")** **Special Resolution 1**

"THAT the name of the Company be changed from "YBS INTERNATIONAL BERHAD" to "ALLIED ADVANCE TECHNOLOGIES BERHAD" with effect from the date of issuance of the Certificate of Incorporation on Change of Name of Company by the Companies Commission of Malaysia and that the name of the Company wherever appears in the Constitution of the Company be and is hereby amended accordingly.

AND THAT the Directors and/or the Secretary of the Company be and are hereby authorised to undertake all necessary steps and formalities required to effect the Proposed Change of Name and to sign and execute all documents, perform any actions they deem necessary or expedient to implement and give full effect to the Proposed Change of Company Name."

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

By Order of the Board

Ong Tze-En
MAICSA 7026537 l SSM PC No. 202008003397
Company Secretary
Penang, 30 July 2026

NOTICE OF **ANNUAL GENERAL MEETING** (CONT'D)

Notes:

Appointment of Proxy

1. A member entitled to attend, participate, speak and vote is entitled to appoint up to two (2) proxies to attend, participate, speak and vote instead of him/her. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. A proxy may but need not be a member.

2. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 (“SICDA”) which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

3. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing, or if the member is a corporation, shall either be executed under the corporation’s common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.

4. For a proxy to be valid, the Proxy Form duly completed must be deposited at the Share Registrar’s office at Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur or alternatively to lodge electronically via the portal at https://www.equity.my/ or emailed to mega-sharereg@megacorp.com.my, not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member duly executes the Proxy Form but does not name any proxy, such member(s) shall be deemed to have appointed the Chairperson of the meeting as his/her proxy, provided always that the rest of the Proxy Form, other than the particulars of the proxy have been duly completed by the member(s). For those who have emailed the Proxy Form, please submit the original document at any time before the time appointed for holding the meeting or to the registration staff on the meeting day for the Company’s records.

5. A member of the Company is permitted to give the Company notice of termination of a person’s authority to act as proxy not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. The notice of termination must be in writing and be deposited at the Registered Office of the Company, 170-09-01 Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang.

6. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors (“ROD”) as at **19 August 2026** and only a Depositor whose name appears on such ROD shall be eligible to attend this meeting or appoint proxy to attend and/or vote on his/her behalf.

Explanatory Notes:

1. **Ordinary Resolutions 1 and 2 on Directors’ fees and benefits payable**

   Directors’ fees and benefits payable have been reviewed by the Remuneration Committee (“RC”) and the Board of Directors (“Board”) which recognise that the Directors’ fees and benefits payable are in the best interest of the Company. Directors’ fees are solely for the Independent Non-Executive Directors (“INEDs”). The amount also includes contingency sum to cater for unforeseen circumstances such as the appointment of any additional INEDs, additional unscheduled meetings of Board and Board Committees (collectively, the Nominating Committee (“NC”), RC and Audit, Sustainability and Risk Committee (“ASRC”)) and/or for the formation of additional Board Committees.

   Upon approval, this will facilitate payment of Directors’ fees and benefits payable on current financial year basis, based on the current board size and assuming that all Directors shall hold office until the end of the financial year. In the event the proposed Directors’ fees and benefits payable are insufficient (due to enlarged board size, if any), approval will be sought at the next AGM for additional fees to meet the shortfall. It will also authorised payment to be made by the Company on a monthly basis and/or as and when incurred. The Board is of the view that the payment arrangement is fair and equitable particularly after they have discharged their responsibilities and rendered their services to the Company throughout the relevant period. This approval shall continue to be in force until the conclusion of the next AGM of the Company in 2027.

   Details of Directors’ fees and benefits paid/payable for the financial year ended 31 March 2026 are enumerated under the Corporate Governance Overview Statement in the Annual Report 2026.

NOTICE OF **ANNUAL GENERAL MEETING** (CONT'D)

Explanatory Notes (Cont'd)**:**

2. **Ordinary Resolutions 3, 4 and 5 on re-election of Directors**

Information on the Directors standing for re-election under Ordinary Resolutions 3, 4 and 5 are set out under Profile of Directors in the Annual Report 2026. The retiring Directors had abstained from deliberation and decision on their own eligibility to stand for re-election at meetings of the NC and Board, as applicable. The retiring Directors do not have any conflict of interest with the Company and its subsidiaries ("the Group") other than as disclosed in the notes to the financial statements (if any). The Board approved the recommendations from the NC and is supportive of the re-election of the retiring Directors based on the justifications below:

Yong Chan Cheah is the Managing Director and Chief Executive Officer of the Group. He develops and oversees the implementation of the Group's business and strategic goals. Drawing on input from the Board, he formulates short and long-term business plans in line with the strategic goals focusing on business expansion through development of new products, securing new customers and new market expansion. He has contributed significantly by steering the Group forward with notable achievements during his tenure of service.

Yong Li-Xiang was appointed as the Executive Director of the Company on 01 October 2025. He began his career in the Group as Product Engineer specialising in the aerospace and telecommunication sectors where he has been actively involved in managing the New Product Introduction (NPI) process. He is currently taking full responsibility for the facility, including renovation, marketing, business development, operations etc of a new operating site of the Company and is consistently exploring for new business opportunities.

Najihah Binti Abas was appointed as the Independent Non-Executive Director of the Company on 01 October 2025. She has significant experience in investment promotion, industrial development, and corporate management. She has demonstrated her objectivity through her proactive engagements during meeting of the Board by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion. She has exercised due care and carried out her professional duties proficiently and effectively throughout her tenure as a Director of the Company.

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

This Ordinary Resolution 7, is for the purpose of granting a renewed general mandate ("General Mandate") and if passed, will give authority to the Board to issue and allot ordinary shares up to a maximum of ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 29 August 2025 and which will lapse at the conclusion of the 24th AGM.

The General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment projects, working capital and/or acquisitions as well as to avoid any delay and cost in convening general meeting to specifically approve such an issuance of shares.

The waiver of pre-emptive rights pursuant to Section 85(1) of the Act and Paragraph 62(1) of the Company's Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make announcement in respect thereof.

NOTICE OF **ANNUAL GENERAL MEETING** (CONT'D)

Explanatory Notes (Cont'd)**:**

4. **Special Resolution 1 on Proposed Change of Company Name**

   The Proposed Special Resolution 1, if passed, will allow the Company to change its name from “YBS International Berhad” to “Allied Advance Technologies Berhad” with effect from the date of the issuance of the Certificate of Incorporation on Change of Name of Company by the Companies Commission of Malaysia.

   The Proposed Change of Company Name is part of a corporate rebranding initiative to better reflect the organisation's business strategy, expanded services, and future growth objectives.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Rule 8.29 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

No individual is standing for election as a Director at the forthcoming 24^{th} AGM of the Company.

PROXY **FORM**

TWENTY-FOURTH ANNUAL GENERAL MEETING

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

No. of Shares held	CDS Account No.

I/We ____
(Full name in Block Letters and NRIC No./Passport No./ Registration No.)

of ______________________________________ and ______________________
(Address) (Tel No./Email Address)

being a Member(s) of YBS INTERNATIONAL BERHAD (the "Company"), hereby appoint

Full Name (in Block Letters)	NRIC No./Passport No.	No. of Shares
Address	Email address	% of Shareholding

*and/or failing him/her

Full Name (in Block Letters)	NRIC No./Passport No.	No. of Shares
Address	Email address	% of Shareholding

or failing him/her, the CHAIRPERSON OF THE MEETING as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Twenty-Fourth ("24th") Annual General Meeting ("AGM") of the Company, to be convened and held at **Mertajam, Level 1, Holiday Inn & Suites Penang Prai, 1919 Menara Sentral, Jalan Juru Sentral, 14000 Bukit Mertajam, Pulau Pinang** on Friday, 28 August 2026 at **10.00 a.m.** or at any adjournment thereof.

Please indicate with an "X" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

ORDINARY RESOLUTION ("OR")/SPECIAL RESOLUTION ("SR")	OR1	OR2	OR3	OR4	OR5	OR6	OR7	SR1
FOR								
AGAINST								

Dated this .... day of .... 2026.

....
Signature of Shareholder(s)/ Common Seal

* Strike out whichever is not desired.

Notes:

1. A member entitled to attend, participate, speak and vote is entitled to appoint up to two (2) proxies to attend, participate, speak and vote instead of him/her. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. A proxy may but need not be a member.
2. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
3. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing, or if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
4. For a proxy to be valid, the Proxy Form duly completed must be deposited at the Share Registrar's office at Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur or alternatively to lodge electronically via the portal at https://www.equity.my/ or emailed to mega-sharereg@megacorp.com.my, not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member duly executes the Proxy Form but does not name any proxy, such member(s) shall be deemed to have appointed the Chairperson of the meeting as his/her proxy, provided always that the rest of the Proxy Form, other than the particulars of the proxy have been duly completed by the member(s). For those who have emailed the Proxy Form, please submit the original document at any time before the time appointed for holding the meeting or to the registration staff on the meeting day for the Company's records.
5. A Member of the Company is permitted to give the Company notice of termination of a person's authority to act as proxy not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. The notice of termination must be in writing and be deposited at the Registered Office of the Company, 170-09-01 Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang.
6. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors ("ROD") as at **19 August 2026** and only a Depositor whose name appears on such ROD shall be eligible to attend this meeting or appoint proxy to attend and/or vote on his/her behalf.

Personal Data Privacy

By submitting the duly executed Proxy Form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 24th AGM of the Company and any adjournment thereof.

Fold this flap for sealing

Then fold here

Affix Stamp

The Share Registrar of
YBS INTERNATIONAL BERHAD
(Registration No. 200201014380 (582043-K))

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

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YBS INTERNATIONAL BHD
200201014380 (582043-K)

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Taman Perindustrian Bukit Minyak,
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