



YB VENTURES BERHAD

annual report **2024**



alpha
INSPIRING TRANSFORMATIONS



TALOS
Living Tiles

CONTENTS

2	Corporate Information	
3	Profile of Directors	
6	Profile of Key Senior Management	
7	Five-Year Financial Highlights	
8	Management Discussion And Analysis	
16	Sustainability Statement	
22	Corporate Governance Overview Statement	
31	Audit Committee Report	
34	Additional Compliance Information Disclosures	
35	Statement on Risk Management And Internal Control	
38	Directors' Responsibility Statement	
39	Financial Statements	
134	List of Properties	
135	Analysis of Shareholdings	
138	Analysis of ICULS	
141	Analysis of Warrants Holdings	
144	Share Buy-Back Statement	
156	Notice of Twenty-Fourth (24 th) Annual General Meeting	
	Proxy Form	



CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Sri Tajudin Bin Md Isa
Independent Non-Executive Chairman

Datuk Au Yee Boon
Executive Director

Kok Soke Kuen
Executive Director

Dato' Sri Gan Chow Tee
Independent Non-Executive Director

Chua Ya Ting
Independent Non-Executive Director

AUDIT COMMITTEE

Chua Ya Ting, Chairperson
Dato' Sri Tajudin Bin Md Isa, Member
Dato' Sri Gan Chow Tee, Member

NOMINATION COMMITTEE

Dato' Sri Gan Chow Tee, Chairman
Dato' Sri Tajudin Bin Md Isa, Member
Chua Ya Ting, Member

REMUNERATION COMMITTEE

Dato' Sri Gan Chow Tee, Chairman
Kok Soke Kuen, Member
Chua Ya Ting, Member

COMPANY SECRETARIES

Tan Tong Lang
(MAICSA 7045482 & SSM PC No. 202208000250)
Tan Lay Khoon
(MAICSA 7077867 & SSM PC No. 202208000544)

AUDITORS

MORISON LC PLT (AF002469)
Chartered Accountants
Level 11-01, Uptown No.3,
Jalan SS 21/39, Damansara Utama,
47400 Petaling Jaya, Selangor Darul Ehsan
Tel : +603 7491 4419
Email: enquiries@morisonlc.com

REGISTERED OFFICE

B-21-1, Level 21, Tower B,
Northpoint Mid Valley,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur
Tel no. : +603 9770 2200
Fax no. : +603 2201 7774
Email : boardroom@boardroom.com.my

PRINCIPAL PLACE OF BUSINESS

Lot 7020, Batu 23,
Jalan Air Hitam,
81000 Kulai, Johor Darul Takzim
Tel: +607 652 2652
E-mail: info@ybventures.com
Website: www.ybventures.com

SHARE REGISTRAR

Aldpro Corporate Services Sdn Bhd
[Registration No. 202101043817 (1444117-M)]
B-21-1, Level 21, Tower B, Northpoint Mid Valley,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur
Tel no. : +603 9770 2200
Fax no. : +603 2201 7774
Email : admin@aldpro.com.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name: YB
Stock Code: 5048
Sector: Industrial Products & Services

PROFILE OF DIRECTORS



DATO' SRI TAJUDIN BIN MD ISA

Independent Non-Executive Chairman
Aged 65, Male, Malaysian

Dato' Sri Tajudin Bin Md Isa ("Dato' Sri Tajudin") was appointed as the Independent Non-Executive Chairman on 15 July 2022. He is also a member of the Audit Committee and Nomination Committee.

Dato' Sri Tajudin graduated with a Bachelor's Degree in Business Administration from the University of Oklahoma, United States of America and a Master in Police Studies from the Universiti Kebangsaan Malaysia. He started his career as a Junior Executive in Bank Bumiputra Malaysia Berhad in 1981. He then joined the Royal Malaysia Police in 1987. He has holistic and extensive experience in Royal Malaysia Police for 33 years until his retirement in 2019.

Presently, Dato' Sri Tajudin sits on the Board of Mayu Global Group Berhad as an Independent Non-Executive Chairman.

Dato' Sri Tajudin has attended all five (5) Board of Directors' meeting held during the financial year ended 30 June 2024.

Dato' Sri Tajudin has no family relationship with any Director and/or major shareholders of the Company. He does not have any conflict of interest or potential conflict of interest with the Company or its subsidiaries. He has not been convicted of any offences within the past 5 years other than traffic offences, if any, and there is no public sanction or penalty imposed by the relevant regulatory bodies upon him during the financial year.



DATUK AU YEE BOON

Executive Director
Aged 44, Male, Malaysian

Datuk Au Yee Boon ("Datuk Au") was appointed to the Board as the Executive Director of the Company on 27 August 2020.

Datuk Au holds a Degree in Computer Science from the University of Malaya. He has been the founder and Chief Executive Officer of Techbase Solution Sdn Bhd since 2009. He started his own retail business right after he graduated from the University of Malaya in 2004. After 5 years of his retail business, he established Techbase Solution Sdn Bhd, a company specialising in providing information technology ("IT") solutions where he was responsible for marketing, business development and IT consulting of the company.

Presently, Datuk Au sits on the Board of Techbase Industries Berhad (Formerly known as Prolexus Berhad) as an Executive Director.

Datuk Au has attended all five (5) Board of Directors' meeting held during the financial year ended 30 June 2024.

Datuk Au has no family relationship with any Director and/or major shareholders of the Company. He does not have any conflict of interest or potential conflict of interest with the Company or its subsidiaries. He has not been convicted of any offences within the past 5 years, other than traffic offences (if any), and there is no public sanction or penalty imposed by the relevant regulatory bodies upon him during the financial year.

PROFILE OF DIRECTORS (CONT'D)



KOK SOKE KUEN

Executive Director
Aged 44, Female, Malaysian

Ms Kok Soke Kuen ("Ms Kok") was appointed as the Independent Non-Executive Director on 8 April 2022. She was re-designated as Executive Director on 26 December 2023. She is a member of the Remuneration Committee.

Prior to this appointment, she was a personal assistant to the Group Chief Executive Officer of Comfort Gloves Berhad.

Ms Kok has more than 21 years of experience in financial reporting and management, which she gained from her working experience with a few listed companies. She is also a member of the Malaysian Institute of Accountants with ACCA qualifications.

Save for YB Ventures Berhad, Ms Kok does not hold any directorship in other public companies and listed issuers.

Ms Kok has attended all five (5) Board of Directors' meeting held during the financial year ended 30 June 2024.

Ms Kok has no family relationship with any Director and/or major shareholders of the Company. She does not have any conflict of interest or potential conflict of interest with the Company or its subsidiaries. She has not been convicted of any offences within the past 5 years other than traffic offences, if any, and there is no public sanction or penalty imposed by the relevant regulatory bodies upon her during the financial year.



DATO' SRI GAN CHOW TEE

Independent Non-Executive Director
Aged 59, Male, Malaysian

Dato' Sri Gan Chow Tee ("Dato' Sri Gan") was appointed as the Independent Non-Executive Director of the Company on 2 March 2021. He is the Chairman of the Remuneration Committee and Nomination Committee as well as a member of the Audit Committee.

Dato' Sri Gan holds a Diploma in Accounting from Tunku Abdul Rahman University College. He has vast experience and knowledge in the business world. He is an outstanding entrepreneur with more than 16 years of experience in property developments and multi-business investments.

Throughout his career, Dato' Sri Gan has focused on building, developing and expanding high-growth businesses. He has been actively involved in various corporate restructuring exercises, with expertise spanning investments in pre-seeds and seed stage start-ups, various stages of fund-raising, and mergers and acquisitions aimed at streamlining operations to accelerate business expansion and growth.

In 2012, Dato' Sri Gan ventured into the food and catering industry, notably investing in Chinese Fine Dining & Banquet events. His dedication and entrepreneurial excellence in this sector led to him being honored with the ASEAN Business Outstanding Award in 2016.

Presently, he sits on the Board of Eduspec Holdings Berhad as an Executive Director and Chief Executive Officer.

Dato' Sri Gan has attended all five (5) Board of Directors' meeting held during the financial year ended 30 June 2024.

Dato' Sri Gan has no family relationship with any Director and/or major shareholders of the Company. He does not have any conflict of interest or potential conflict of interest with the Company or its subsidiaries. He has not been convicted of any offences within the past 5 years other than traffic offences, if any, and there is no public sanction or penalty imposed by the relevant regulatory bodies upon him during the financial year.

PROFILE OF DIRECTORS (CONT'D)



CHUA YA TING

Independent Non-Executive Director
Aged 43, Female, Malaysian

Ms Chua Ya Ting ("Ms Chua") was appointed as the Independent Non-Executive Director on 26 December 2023. She is a Chairperson of Audit Committee and a member of the Nomination Committee and Remuneration Committee.

Ms Chua has 21 years of experience in audit and tax covering statutory and regulatory reporting, which she gained experience from manufacturing and retail industry. She is also a member of the Malaysian Institute of Accountants (MIA) and Certified Practising Accountant (CPA) Australia.

Save for YB Ventures Berhad, Ms Chua does not hold any directorship in other public companies and listed issuers.

Ms Chua has attended two (2) out of two (2) Board of Directors' meeting held during the financial year ended 30 June 2024 since her appointment as Independent Non-Executive Director on 26 December 2023.

Ms Chua has no family relationship with any Director and/or major shareholders of the Company. She does not have any conflict of interest or potential conflict of interest with the Company or its subsidiaries. She has not been convicted of any offences within the past 5 years other than traffic offences, if any, and there is no public sanction or penalty imposed by the relevant regulatory bodies upon her during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

KOH CHEE HUAT

Financial Controller
Male, Malaysian, aged 47

Mr. Koh Chee Huat joined the Company as Financial Controller in April 2022.

Mr. Koh graduated with a Bachelor of Business Administration (Major in Finance) in a twinning program with Nottingham Trent University, UK. He has been a member of the Association of Chartered Certified Accountants (ACCA) and the Malaysian Institute of Accountants since 2003 and 2017, respectively. He has over 15 years of experience in auditing, management accounting and reporting and budgetary controls, amongst others.

He does not hold any directorship in other public companies and listed issuers.

He has no family relationship with any Directors and/or major shareholders of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with YB Ventures Berhad or its subsidiaries. He has not been convicted of any offences within the past 5 years, other than traffic offences, if any, and there was no public sanction or penalty imposed by the relevant regulatory bodies upon him during the financial year.

CALLISTUS LEE HING CHIH

Assistant General Manager
Male, Malaysian, aged 56

Mr. Callistus Lee Hing Chih joined the Company in 2015 and is currently the Company's Assistant General Manager.

He graduated with a Master of Science in Manufacturing System Engineering from the University of Warwick in Coventry, England. He has over 15 years of experience in the tile production industry. He is mainly responsible for overseeing the production process and coordinating all production activities and operations.

He does not hold any directorship in other public companies and listed issuers.

He has no family relationship with other directors and/ or major shareholders of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with YB Ventures Berhad or its subsidiaries. He has not been convicted of any offences within the past 5 years, other than traffic offences, if any, and there was no public sanction or penalty imposed by the relevant regulatory bodies upon him during the financial year.

FIVE-YEAR FINANCIAL HIGHLIGHTS

	2019	2020	2022	2023	2024
OPERATING RESULTS (RM'000)					
Revenue	118,134	91,384	134,478	66,804	66,219
Net interest income/(costs)	862	440	1,024	(543)	(1,162)
Taxation	495	1,147	(877)	6,118	(7,937)
Depreciation	(5,751)	(5,109)	(11,605)	(9,643)	(10,241)
Amortisation	-	(30)	(548)	(365)	(365)
EBITDA *	(1,409)	13,698	22,314	(14,825)	(29,805)
(Loss)/Profit before tax	(6,298)	8,999	11,186	(25,376)	(41,573)
(Loss)/Profit after tax	(5,803)	10,146	10,309	(19,258)	(49,510)
Net (loss)/profit attributable to equity holders	(5,803)	10,146	10,309	(19,258)	(49,510)

*EBITDA- Earnings Before Interest, Taxes, Depreciation and Amortisation

KEY BALANCE SHEET HIGHLIGHTS (RM'000)

Net interest income/(costs)	217,508	322,846	420,105	372,794	343,472
Total Borrowings	-	-	16,525	20,751	24,513
Shareholders' Equity	196,207	282,988	348,297	328,780	285,648

KEY FINANCIAL INDICATORS

Return on Equity	-3.0%	3.6%	3.0%	-5.9%	-17.3%
Return on Total Assets	-2.7%	3.1%	2.5%	-5.2%	-14.4%
Gearing Ratio	-	-	- #	1.52%	4.94%
Net Asset per Share (RM)	1.35	1.94	1.20	1.13	0.98
Earnings per Share (sen)	(3.99)	6.99	4.24	(6.61)	(16.99)
Net Dividend per Share (sen)	-	-	-	-	-
Net Dividend Yield	-	-	-	-	-
Price Earning (PE) Ratio	(13.30)	15.04	9.30	(4.24)	(1.29)
Share Price as at the Financial Year End (RM)	0.530	1.050	0.395	0.280	0.220

Gearing ratio is not applicable as the Group has sufficient cash and bank balances to settle the outstanding debt.

MANAGEMENT DISCUSSION & ANALYSIS

Dear Valued Shareholders,

On behalf of the Board of Directors (“Board”) of YB Ventures Berhad (“YB Ventures” or “Group”), I am pleased to present you the Management Discussion and Analysis (“MD&A”) for the financial year ended 30 June 2024 (“FYE2024”).

This MD&A is intended to provide you with a comprehensive overview of our Group’s financial and operational performance for the FYE2024 through the lens of our management. Also included in this MD&A is the relevant non-financial information that aims to provide our shareholders with a better understanding of our Group’s overall performance, risk exposure and prospects.



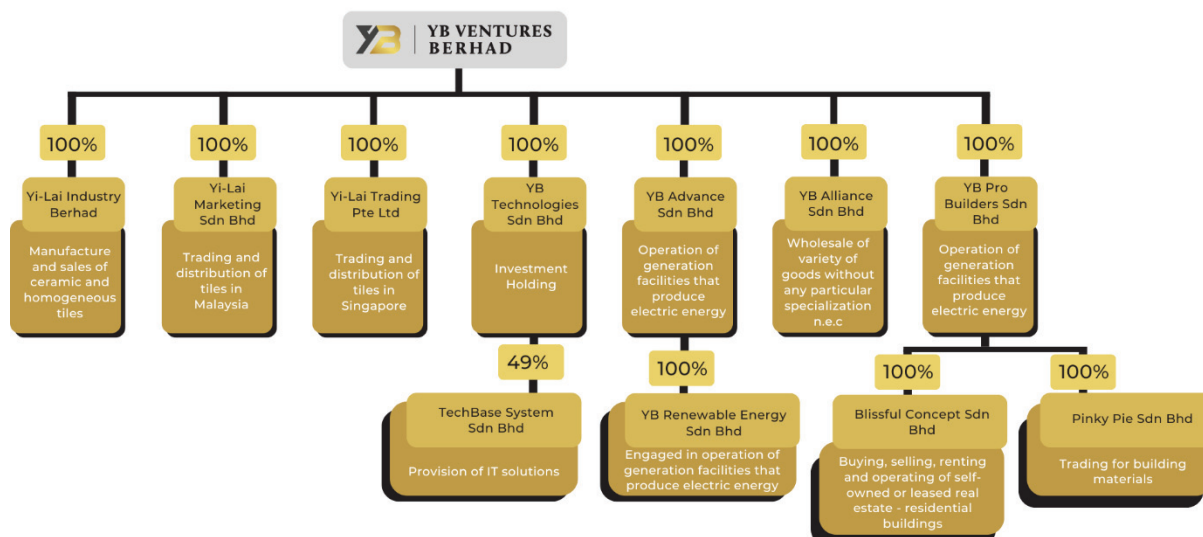
GROUP OVERVIEW

YB Ventures was established in 1990 under the name of Yi-Lai Industry Berhad (“Yi-Lai Industry”) (now a subsidiary of our Company) as a tiles manufacturer in Kulai, Johor. In May 2002, our Company was listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) under the Industrial Products and Services sector. On 26 March 2021, we officially changed our name from Yi-Lai Berhad to YB Ventures Berhad as part of our Group’s initiatives to create a new corporate identity.

YB Ventures is an investment holding company. Through our subsidiaries, our Company is principally involved in the manufacture, sales, trading, and distribution of tiles.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

The current corporate structure of our Group is as follows:



Tiles

Our Group mainly produces tiles under our proprietary brand, ALPHA TILES®, a household name in the construction, renovation and interior fit-out industries. Its flagship product is Talos Living Tiles, launched in November 2019.

TILES BUSINESS

ALPHA TILES

Categories of tiles produced at YB Ventures

TALOS LIVING TILES

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

In conjunction with the 37th anniversary of Yi-Lai Marketing, our Group launched a new and innovative tile products under the ALPHA TILES® and Talos Living Tiles known as the Infinity Collection. Infinity Collection is a new product line that combines the strengths of ALPHA TILES® and Talos Living Tiles that aim to transform tiles from mere functional items to integral elements of stylish and modern living spaces. In addition to the current diverse range of small-sized ceramic tiles and homogeneous tiles, the Infinity Collection is a large-format tiles with various designs and surfaces to meet modern consumer's needs.

In addition, YB Ventures also produces original equipment manufacturer ("OEM") tiles for other brand names. Our Group's catalogue includes 3 products: homogenous, porcelain and ceramic tiles. These products can be used as wall or floor tiles in residential, commercial and industrial developments.



BUSINESS & OPERATIONAL REVIEW

MACRO OPERATING ENVIRONMENT

It has been a tumultuous year for the global economy in 2024, with the continuing threat of inflationary pressures, geopolitical tensions and disruptions in global trade that continue to test the resilience of the global economy.

According to a report issued by Bank Negara Malaysia ("BNM"), the global economy has maintained a moderate growth in 2024, weighed by high interest rate albeit inflation continued to moderate in advanced economies. Brent crude oil price continued to trade above USD75 per barrel in year-to-date except for September 2024. The growth outlook is expected to be sustained in the remaining months of 2024 supported by positive labour market conditions and moderating inflation. However, it is subject to downside risks mainly from amongst others, escalation of geopolitical tensions and sharp tightening in financial market conditions.

For the Malaysian economy, the growth of the domestic economy in the remaining months of 2024 is expected to be driven mainly by firm expansions in investment activity and resilient household spending. However, the growth faces downside risks from the weaker-than-expected external demand and further escalation of geopolitical conflicts. Inflation in Malaysia is expected to be higher amid the rationalisation of diesel subsidies announced by the Malaysian government in June 2024.

Based on a report issued by BNM, The upside risks to the outlook going forward would be dependent on the extent of spillover effects of further domestic policy measures on subsidies and price controls to broader price trends, as well as global commodity prices and financial market developments. For the year as a whole, headline and core inflation are projected to be in the ranges of 2.0% to 3.5% and 2.0% to 3.0% respectively.

MANAGEMENT DISCUSSION & ANALYSIS
(CONT'D)

YB VENTURES IN THE FYE2024

It has been challenging for us at YB Ventures in the FYE2024. The demand for tiles remains subdued and faced with competitive environment with the industry. The financial performance of our Group is dependent on the recovery of the domestic economy and the normalisation of the inflationary pressure which leads to higher operating cost especially electricity and natural gas.

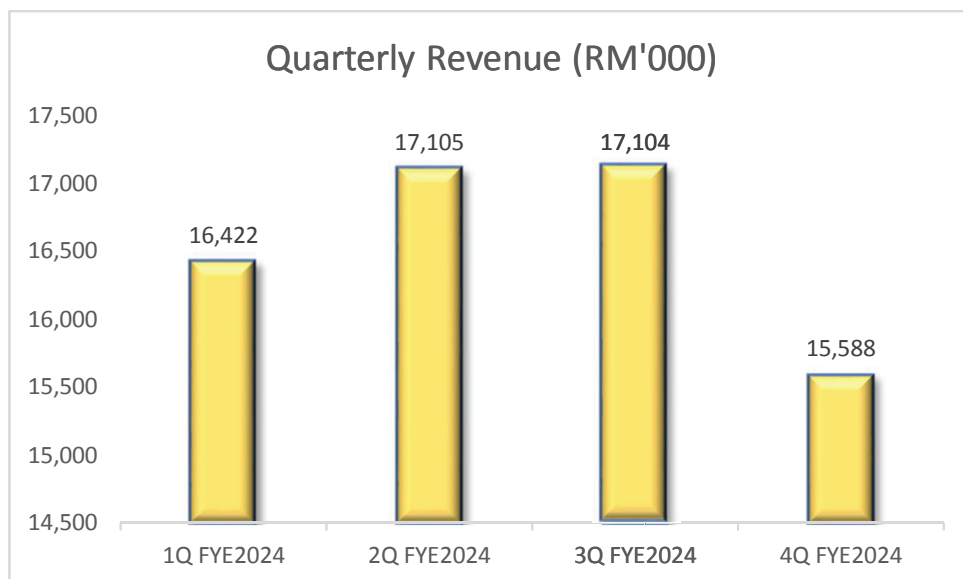
Despite the challenges, our Group continued to focus on the flagship product, Talos Living Tiles as well as its new product line known as the Infinity Collection. The Talos Living Tiles, which has been targeted at both property developers and end-users, will capture the demand for health-conscious home buyers and property developers as it helps to improve indoor air quality by releasing negative ions. On the other hand, the new Infinity Collection tiles which are crafted using a material called Shape Ink to enhance the tile surface with ink and glaze, will capture the demand for wider customer base for both residential and commercial use as it is a large-format tiles with various designs and surfaces.

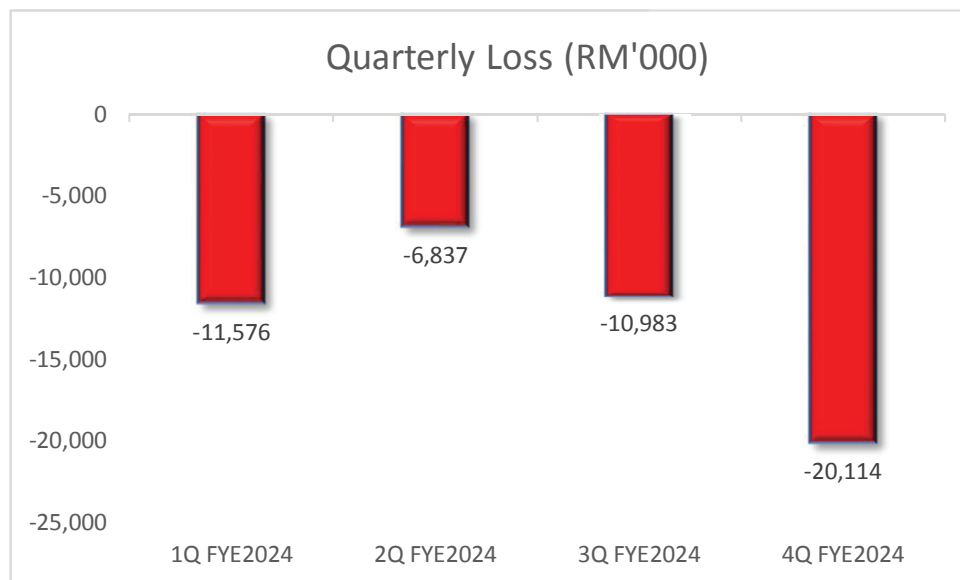
Operationally, our Group continued to face rising competition within the industry as well as higher operating cost due to the hike in electricity and natural gas prices. This has intensified the competitive landscape as the cost of natural gas is one of the key expenses for thermal processes such as firing kiln and powering the horizontal dryer and the spray dryer.

As part of our ongoing strategic plan to improve operational efficiency, our Group has taken proactive measures to implement a lean and agile management team. This has helped our Group optimise our resources, reduce costs and minimise waste.

In addition, by leveraging our Group's technological advancement and expertise, we have worked towards better inventory management with a higher emphasis on just-in-time production. The improved inventory management will help YB Ventures to improve our cash flow. Aside from that, it will also reduce the risk of inventory loss and ensure capital is deployed to further drive growth. This would help to enhance our Group's operational efficiency and productivity, improving our Group's margin in the long term.

FINANCIAL PERFORMANCE REVIEW



MANAGEMENT DISCUSSION & ANALYSIS
(CONT'D)

Our Group recorded a revenue of RM66.2 million during the FYE2024 as compared to RM66.8 million in FYE2023, representing a marginal decrease of RM0.60 million or 0.9%. The decrease in revenue was also due to increased competition within the industry and a softer property market amid the soft economic conditions, which affects the revenue of our tiles manufacturing and trading business. Our Group recorded a loss after tax of RM49.5 million for the FYE 2024 mainly due to unfavourable fair value changes and loss from the disposal of other investments as well as share of results from an associate.

In the FYE2024, local sales remained our Group's primary revenue contribution, accounting for RM57.2 million, with the remaining contributed by Singapore and other countries. This means that domestic revenue represented 86.4% of our Group's total revenue during the financial period under review.

Capital Structure and Resources

YB Ventures' total assets amounted to RM343.5 million as at 30 June 2024, representing an decrease of RM29.3 million or 7.9% compared to RM372.8 million as at 30 June 2023. This was primarily due to the decrease in inventories as well as lower other investment. Our cash and bank balances decreased by RM5.3 million or 33.8% to RM10.4 million at the close of the FYE2024.

On the other hand, our Group's total liabilities stood at RM57.8 million as at 30 June 2024, representing an increase of RM13.8 million or 31.4% compared to RM44.0 million as at 30 June 2023. This was mainly due to higher deferred tax liabilities, higher trade payables and higher bank borrowings. The increase in trade payables was due to higher purchase of tiles and raw materials in anticipation of higher order for the new products. As at 30 June 2024, total borrowings increased to RM24.5 million compared to RM20.8 million as at 30 June 2023 due to draw down in trade facility.

Net Gearing

As at 30 June 2024, our Group recorded a net gearing ratio of 4.94% compared to 1.52% as at 30 June 2023.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Balance Sheet Highlights as at 30 June 2024

RM million	As at 30 June 2024	As at 30 June 2023
Total Assets	343.5	372.8
Cash and bank balances	10.4	15.7
Total Equity	285.7	328.8
Total Liabilities	57.8	44.0
Total Borrowings	24.5	20.8
Current Ratio (x)	2.42	4.43
Net Assets per share (RM)	0.98	1.13
Gearing ratio (%)	4.94	1.52

Challenges and Key Risks

The growth of global economy continued to face headwinds from tight monetary policy and reduced fiscal support by major economies despite the inflation has shown signs of moderation. Escalation of geopolitical tensions and volatility in global financial markets are among the factors that adversely impacted the global economy.

Our Group remains both cognizant and vigilant of the known and anticipated risks that may have material effects on our operations, financial performance, and liquidity.

These risks may ultimately disrupt the value creation process for our stakeholders if not managed proactively. Identifying these key risks and challenges going forward and continuing to monitor any emerging risks allowed our management to respond swiftly to any downside risks. The principal risks our Group is exposed to are outlined below, along with the mitigation measures.

Key Risks	Description	Mitigations
1) Changes in regulations and policies	<p>Part of our workforce comprises foreign workers, while electricity and natural gas expenses form a key cost component. In addition, our Group's performance also partially correlates to the performance of the property sector.</p> <p>Any changes in regulations and policies governing these areas may impact our operations. Examples include issues pertaining to minimum wage; foreign worker levy; changes in utility tariffs and cost pass-through mechanism; as well as measures by authorities to relax or tighten guidelines pertaining to property purchase and lending, etc.</p>	<p>YB Ventures ensures our operations comply with all applicable regulations and policies. Management actively engages with authorities and relevant business associations to provide feedback and to gain an understanding of any changes in regulations and policies.</p> <p>As for cost-related matters, our Group continuously monitor and track our costs to optimise production and improve efficiency while minimising waste.</p>

MANAGEMENT DISCUSSION & ANALYSIS
(CONT'D)

Key Risks	Description	Mitigations
2) Competition risks	Our Group faces stiff competition from local players and pressure from cheaper imports from overseas.	<p>To mitigate the risk, YB Ventures cultivates close relationships with our Company's partners and distributors to offer differentiation through excellent service levels.</p> <p>Product innovation is another key factor in fending off competition. Through our research and development ("R&D"), our Group has introduced its latest product called the Infinity Series under its flagship brand Talos Living Tiles, targeted at commercial clients such as property developers and interior designers.</p>
3) Enterprise risks	Enterprise risk relates to risks potentially affecting our Group's operation and financial and compliance matters.	<p>Our Group closely monitors the various indicators relating to the business's operational, financial and compliance aspects.</p> <p>We also have our Enterprise Risk Management Framework encapsulated in our Group's Risk Management Policy manual.</p>

The Statement on Risk Management and Internal Control section of this Annual Report comprehensively highlights YB Ventures' commitment towards an internal sound control and risk management system.

OUTLOOK AND PROSPECTS

Looking ahead, we expect the business operating environment to remain challenging, underpinned by the uncertain global economic environment and intensifying competition coupled with the rising production cost faced by almost all local manufacturers.

Despite these factors that will continue to weigh down on the tile industry, our Group has taken countermeasures to address these challenges, including enhancing our Group's manufacturing efficiency and productivity. In addition, leveraging our Group's technology advancement and expertise, we will focus on better inventory management with a higher emphasis on just-in-time production.

Currently, our Group's production is operating at an optimised capacity on the back of the rising demand amidst the improved economic outlook. Furthermore, based on the feedback and discussions with our customers and industry players, the property development industry has regained some of its momentum following the expectation that BNM will stabilise the OPR rate at the current level.

MANAGEMENT DISCUSSION & ANALYSIS
(CONT'D)

To meet the increasing demand, we will continue to optimise our Group's production capacity, including the implementation of smart manufacturing and capabilities. These enhancements will allow our Group to expand its product offerings and accommodate larger-format tiles such as the latest Infinity Series. Our Group will also streamline our new production lines to support new products like the Infinity Series under the flagship brand Talos Living Tiles, which are better aligned with consumer buying behaviours.

YB Ventures' manufacturing facilities, including the head office and warehouses, are located in Kulai, Johor, spanning approximately 35 acres of land in total. Our production facilities house a total of 8 production lines with an installed annual maximum capacity of 9.84 million square metres of tiles.

The newly upgraded plant would allow us to improve our production efficiency as the new production lines are more advanced and could improve product quality, production flexibility, and overall productivity while reducing energy consumption and environmental impact.

In the longer term, our Group will continue to invest in our R&D team to develop a new range of innovative products for our customers. As mentioned earlier, the Infinity Series under Talos Living Tiles represent our Group's new flagship product.

The large-format tiles Infinity Series represents the Group's effort in continuous product innovation since the Talos Living Tiles brand first launched in November 2019. It has given our Group an opportunity to focus more on commercial projects by targeting commercial clients such as property developers, interior designers and architects.

Our Group will also continue with its series of strategic transformation programmes that were initiated by our management team to revive sales and financial performance. The next phase of transformation initiatives will focus on driving growth through product innovation while developing smart manufacturing that will lead to a better economy of scale and improve cost efficiency. Some of the plans in the pipeline include the implementation of a warehousing management system and a customer relationship management system. Implementing these systems will optimise our Group's business operations and enhance relationships with its customers.

ACKNOWLEDGMENT

On behalf of our Board, I would like to extend my appreciation to the members of our Board for their contribution and wise counsel, management and staff for their commitment, contribution and loyalty to our Group.

To our management, it has been a pleasure working with you over the last twelve months. Thank you for your constant backing throughout the ups and downs. Despite the challenging period, I am confident your hard work and dedication will help us continue our strategic transformation initiatives to deliver sustainable growth and values for our stakeholders.

Last but not least, my sincerest gratitude to all the stakeholders, shareholders, business partners, bankers, and relevant authorities for their continued support. We have been able to push forward because of your trust, and I am excited about the new developments at YB Ventures. As we advance, with your support, I am cautiously optimistic that we will be able to achieve our next phase of growth in 2025.

Datuk Au Yee Boon
Executive Director

SUSTAINABILITY STATEMENT

YB Ventures (“YB”) Group’s Sustainability Statement (“Statement”) gives an overview of the YB Ventures Group’s operations, with a holistic approach to business management and taking into consideration the economic, environmental and social risks and opportunities alongside financial implications.

The Statement provides a framework and reference to our governance structure while promoting responsible business practices, managing environmental impact and meeting the social needs of the community in which we operate. It also serves as a guide to the YB Group as we strive to adopt good corporate governance and sustainability practices. The Group is committed to ensuring that these practices and considerations are taken into account when planning projects, managing relationships with our clients and meeting the expectations of communities in which our projects are located.

SUSTAINABILITY GOVERNANCE

The Board of Directors is responsible for setting the tone and culture of sustainability matters for the Group, whose main business is manufacturing of tiles, which is mainly associated with construction projects in the property sector of Malaysia.

Material matters for sustainability are overseen by the Board of Directors through the Board Committee such as the Audit Committee, assisted by the senior management team. There are regular reviews of the Group’s operations that influence the assessments and decisions made over the short, medium, and long-term.

The Board of Directors oversees the promotion and adoption of sustainability practices through the following:

- (a) Strategic planning and management;
- (b) Stakeholder engagement;
- (c) Regular updates on policies, procedures and provide relevant training programs;
- (d) Establish and improve appropriate governance structures and processes;
- (e) Planning for availability of resources including human and financial resources; and
- (f) Assessing the outcomes of the above and the extent of sustainability achieved.

STAKEHOLDER ENGAGEMENT

The Group values effective communication with stakeholders through honest and transparent co-operation and supportive. To ensure accountability, matters pertaining to stakeholders are approached with an emphasis on openness, ethical conduct and operational as well as economic responsibility.

To maintain the trust of stakeholders, YB Ventures Group adheres to ethical business conduct across operations. Stakeholders are provided with a direct channel of reporting through the Company’s website to report any misconduct. The Group also adheres to good governance practices, in addition to complying to the law, and from time to time, updates processes and directives when required.

The YB Ventures Group encourages engagement and feedback as an integral part of our sustainability practices and initiatives, while stakeholder engagement is approached through various communications channels.

SUSTAINABILITY STATEMENT (CONT'D)

Stakeholder Group	Communications Channel/Platform
Customers	<ul style="list-style-type: none"> Customer satisfaction survey Sales/technical visits Website/email
Employees	<ul style="list-style-type: none"> Meetings Regular consultations and performance reviews Training programmes Staff gathering and other engagement channels
Suppliers/Vendors	<ul style="list-style-type: none"> Regular business communication Feedback from industry suppliers Vendor service/support channel
Shareholders	<ul style="list-style-type: none"> Annual/Extraordinary General Meetings Media releases Investor relation channels and meetings
Regulatory, Government and Statutory Bodies	<ul style="list-style-type: none"> Relevant laws, regulations or guidelines Meetings and events
Local communities	<ul style="list-style-type: none"> Social contributors and community outreach
Media	<ul style="list-style-type: none"> Media releases and interviews

ECONOMIC

The Group is committed to delivering products and services on time and with quality as we have a customer-focused business model in which project and systems capabilities support targets for higher profitability and while limiting volatility. We create value by seeking opportunities that include finding ways to address sustainability challenges in the social and environmental spaces.

- Products and Services**

The YB Ventures Group is committed to providing products and services that meet regulatory, safety and quality standards to fulfil customers' requirements. We are strict in ensuring that all products and services meet internal procedures, relevant laws and regulations, quality standards, labour practices, health and safety, anti-corruption practices and quality.

- Customer Satisfaction**

To achieve our core business goals, a comprehensive understanding of customers is the key to success. The Group places great importance on customers and constantly engage them to assess our performance while responding to their needs and expectations.

- Supply Chain Management**

Through partnering with local businesses, we can invest in these communities while reducing shipping and transportation costs as well as associated environmental impact. We do this by sourcing as much of our materials as possible locally to empower communities in which we operate while at the same time, boosting the local economy.

- Suppliers and Contractors**

YB Ventures Group conducts due diligence on our suppliers and subcontractors we work with, in order to ensure our sustainability goals and governance practices are maintained. Suppliers and subcontractors are required to follow Environment, Health and Safety aspects of their operations while YB Ventures Group will also collaborate with them to share best practices to identify and manage risks better.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL

The Group recognises that environmental issues are global in scale and that they are long-range concerns affecting future generations. The Group remains focused on sourcing environmental solutions that will lessen our overall footprint, as well as integrating the necessary environmental considerations into our projects and internal operations.

- **Compliance with Environmental Laws**

YB Ventures is committed to complying with the relevant environmental laws and regulations in all material aspects while pursuing a smaller ecological footprint without compromising product quality. In this respect, we aim to preserve the surrounding environment by mitigating our operations' impact by putting proper controls and systems in place at our Group's premises. By complying with the relevant environmental laws, we can identify environmental risks and opportunities, allowing us to enforce programs and promote awareness in pursuit of continual improvement. During the financial year under review, YB Ventures recorded zero incidences of environmental non-compliance.

- **Energy Management**

Our manufacturing process also uses substantial volume of energy. This is mainly due to the nature of the tiles manufacturing business, where raw materials are compressed and fired at high temperatures to produce the finished product.

Despite this, YB Ventures is focused on enhancing our energy efficiency by managing our Group's energy utilisation at our manufacturing plant and corporate headquarters. In order to do that, we monitor our energy consumption using an installed energy measuring meter.

Our Group utilises energy in the form of electricity from the national grid and natural gas. For our thermal processes, we use clean energy such as natural gas to fire the kiln, horizontal dryer and spray dryer.

- **Waste Management**

We produce waste materials in the form of scheduled and non-scheduled wastes. These include greenware tiles, packing materials, used oils and wastewater. The proper disposal of these waste materials is important to regulate the environmental impact of our operations.

Here are some of the initiatives that our Group has put in place to manage our waste materials:

- 1) **Standard operating procedures to ensure careful handling of our Group's scheduled waste materials**
All scheduled waste materials are managed in compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005 of the Environmental Quality Act 1974.
- 2) **Appoint a DOE-licensed waste contractor**
The appointment of a DOE-licensed waste contractor to collect the scheduled waste and transport for disposal. Meanwhile, non-scheduled waste is scrapped or collected by waste collectors for recycling and disposal purposes.
- 3) **Advocate 3R (Reduce, Re-use and Recycle)**
Minimise waste within our processes by encouraging 3R among employees. For example, used engine and hydraulic oils are re-used for the machineries as lubricants, while greenware scraps are recycled for various functions such as the preparation of the mass of the tiles.

SUSTAINABILITY STATEMENT
(CONT'D)

SOCIAL

Employees are the backbone and play a vital role for the success of the Group. We invest in employee growth and recognise talent by cultivating it.

- **Cultivating Workplace Culture for Employees**

YB Ventures Group emphasises a safe and secure workplace that is free from humiliation, harassment, threats and violence. We cultivate mutual respect for all and we are committed to equal opportunities for employees.

- **Workforce Statistics**

Executive	Non-Executive
17.43%	82.57%
Male	Female
70.57%	29.43%
Age Group	
Under 30	22.57%
30 to 50	48.29%
Above 50	29.14%

- **Employee Benefits and Compensation**

YB Ventures Group complies with all statutory requirements and regulations concerning wages and benefits such as Employees Provident Fund, Social Security and other contributions required by law. Other benefits include medical and healthcare subsidies, travel allowances, group hospitalisation and personal accident insurance coverage as well as leave.

- **Training and Development**

The Group views training as important to our employees to ensure that they have up-to date knowledge and skills. This will be beneficial to both the employees in their personal growth and development by taking on new roles and responsibilities as well as the Company's growth as a whole.

- **Workplace Safety and Health**

The Group conducts periodic meetings and on-site inspections to ensure compliance and all requirements under the Occupational Safety and Health Act 1994 and other relevant codes. There was no safety or health issue reported by the Group during the financial year ended 30 June 2024.

COMMITMENT

The YB Ventures Group endeavours to adopt sustainable and responsible practices for our business as well as the environment and communities in which our operations are located.

This Statement was approved by the Board of Directors on 24 October 2024. At the present, the Group has not sought external assurance for this Statement.

SUSTAINABILITY STATEMENT
(CONT'D)

PERFORMANCE DATA TABLE FROM BURSA MALAYSIA'S ESG REPORTING PLATFORM

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive/Technical Staff	Percentage	100.00
General Workers	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer		0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	6.29
Management Above 50	Percentage	3.14
Executive Under 30	Percentage	0.57
Executive Between 30-50	Percentage	6.00
Executive Above 50	Percentage	1.43
Non-executive/Technical Staff Under 30	Percentage	5.71
Non-executive/Technical Staff Between 30-50	Percentage	17.71
Non-executive/Technical Staff Above 50	Percentage	15.71
General Workers Under 30	Percentage	16.29
General Workers Between 30-50	Percentage	18.29
General Workers Above 50	Percentage	8.86
Gender Group by Employee Category		
Management Male	Percentage	2.57
Management Female	Percentage	6.86
Executive Male	Percentage	1.43
Executive Female	Percentage	6.57
Non-executive/Technical Staff Male	Percentage	27.71
Non-executive/Technical Staff Female	Percentage	11.43
General Workers Male	Percentage	38.86
General Workers Female	Percentage	4.57
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	60.00
Female	Percentage	40.00
Under 30	Percentage	0.00
Between 30-50	Percentage	100.00
Above 50	Percentage	0.00

Internal assurance

External assurance

No assurance

(*)Restated

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE FROM BURSA MALAYSIA'S ESG REPORTING PLATFORM

Indicator	Measurement Unit	2024
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	12,846.30
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.74
Bursa C5(c) Number of employees trained on health and safety standards	Number	35
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	155
Executive	Hours	672
Non-executive/Technical Staff	Hours	0
General Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	9
Executive	Number	19
Non-executive/Technical Staff	Number	21
General Workers	Number	100
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	83.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	19.992000

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**Board**”) of YB Ventures Berhad (“**YB Ventures**” or “**the Company**”) recognises the importance of good corporate governance and is committed to ensuring the sustainability of the Company’s business and operations by adhering to the good governance principles outlined in the Malaysia Code on Corporate Governance 2021 (“**MCCG**”). The Board believes that maintaining good corporate governance is essential for delivering stakeholders’ value.

This statement should be read in conjunction with the Corporate Governance Report 2024 (“**CG Report**”), prepared in accordance with the prescribed format as per Paragraph 15.25 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). The CG Report is available on the Company’s website at www.ybventures.com and has also announced on the Bursa Securities website.

The Board presents this statement to provide an overview of the corporate governance practices of the Company under the guidance of the Board, focusing on the following three (3) key corporate governance principles:

- (a) Board Leadership and Effectiveness;
- (b) Effective Audit and Risk Management; and
- (c) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART 1 - BOARD RESPONSIBILITIES

Board and Board Committees

The Board is accountable to the stakeholders of the Company and its subsidiaries (“**Group**”) by overseeing the overall performance of the Group. The Board’s core duties include managing and supervising the management of the Group and guiding them towards achievement of short and long-term objectives. This includes defining growth strategies and exploring new business opportunities. Additionally, the Board must ensure that the Group has access to necessary resources to accomplish its objectives and deliver sustainable value to its stakeholders.

The Board acknowledges the significance of establishing well-defined roles and responsibilities of the Board and the Senior Management to achieve a balanced approach between the strategy foundation and policies making on one hand and the conformance roles of executive supervision and accountability on the other. The delegation of the Board’s authority to the Senior Management is subject to clearly defined limits and the delegated authority is structured in accordance with hierarchical delegation framework below the Board level.

To ensure the effective discharge of its responsibilities, the Board also has established three (3) Board Committees, namely Audit Committee (“**AC**”), Remuneration Committee (“**RC**”) and Nomination Committee (“**NC**”) to assist in its oversight function. The Board Committees operate in accordance with the detailed Terms of Reference, which are available on the Company’s website at www.ybventures.com.

The Chairman of the respective Board Committees are responsible for reporting the key deliberations from their Board Committee meetings to the Board and present recommendations to the Board for approval when needed.

Besides, the positions of Chairman and Executive Director of the Company are held by different individuals. This clear separation enhances the governance by promoting transparency, ensuring accountability, and prevent the concentration of decision-making authority in a single person.

The Chairman leads the Board in discharging its supervisory functions and ensure the effective execution of Board’s meetings, while the Executive Directors handle the day-to-day management of the Company, as delegated by the Board.

The Board is also endeavours to comply with the Practice 1.4 of the MCCG whereby the Chairman of the Board should not be a member of the Board Committees. The Board also acknowledges the risk of self-review and may impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART 1 - BOARD RESPONSIBILITIES (CONT'D)****Board and Board Committees (Cont'd)**

However, the Chairman is not involved in management and operational matters of the Company, and he always provide constructive ideas and opinions to the Board and Board Committees respectively based on different perspectives as a Board Chairman and member of Board Committees. In addition, the presence of the two (2) Independent Directors from a total of three (3) committee members are sufficient to provide the necessary checks and balances on the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees.

Company's Policies

The Board has established a Board Charter that serve as a guide for Directors in carrying out their fiduciary duties. This Board Charter outlined the roles, functions, composition, operation and processes of the Board. The Board Charter will undergo periodic reviews to ensure that it complies with the relevant laws and best practices and is aligned with the evolving needs of the Group.

A copy of the Fit and Proper Policy has been adopted by the Company for the purpose of guiding the NC and the Board in the review and assessment of potential candidates before appointment, or on existing Directors of Group who are seeking for re-appointment and/or re-election.

In addition, the Company has also adopted Whistle Blowing Policies & Procedures for the purpose of report of any genuine concern or malpractices through the Company's provided channel.

A copy of the Board Charter, Fit and Proper Policy, Whistle Blowing Policies & Procedures and Terms of Reference of the Board Committees are all available for reference at the corporate website at www.ybventures.com.

Qualified and Competent Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries, both of whom are members of The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). These Company Secretaries continuously update their knowledge on regulatory changes, corporate governance development, the evolving roles of Company Secretaries and emerging business trends through ongoing training.

The Board has full access to the independent advice and dedicated support services of the Company Secretaries, ensuring the effective execution of their responsibilities. They also provide essential support to both the Board and Management in matters related to statutory and regulatory compliance, corporate developments, and the implementation of corporate governance measures across the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART 1 - BOARD RESPONSIBILITIES (CONT'D)****Board Meetings and Supply of Information to the Board**

The Board conducts a minimum of four (4) scheduled meetings annually, with additional ad-hoc meetings as needed to address strategic and policy matters. Extra meetings are convened promptly upon finalisation of the Company's annual and quarterly results, to facilitate review and approval prior to submission to Bursa Securities.

The attendance of the Directors at the Board meetings for the financial year ended 30 June 2024 ("FYE 2024") is as follows:

Name of Directors	Attendance	Percentage of Attendance
Dato' Sri Tajudin Bin Md Isa	5/5	100%
Datuk Au Yee Boon	5/5	100%
Kok Soke Kuen	5/5	100%
Dato' Sri Gan Chow Tee	5/5	100%
Chua Ya Ting (Appointed on 26 December 2023)	2/2	100%
Tan Eik Huang (Resigned on 12 September 2023)	1/1	100%
Lee Boon Siong (Resigned on 26 December 2023)	3/3	100%

Based on the attendance, the Directors have demonstrated their ability to commit adequate time and effort to their roles and responsibilities as Directors of the Company. The Board is satisfied with the Directors' full attendance and the level of commitment they have shown in fulfilling their duties.

The formal agenda of meetings and the relevant meeting materials are distributed to the Board members seven (7) days prior to scheduled Board meetings to facilitate efficient meeting preparation. This timeframe allows members ample opportunity to review documents, seek clarifications and contribute meaningfully to discussions.

The Board has unrestricted and immediate access to information regarding the Group's business and affairs in discharging their duties. They regularly review reports on financial performance and business development, and they also receive frequent updates covering strategy, risk profiles and significant litigation matters through reports and presentations. Moreover, the Board reserved the right to request additional information or clarification, especially concerning complex and technical issues. They will also have access to relevant training and may seek independent professional advice when needed.

Furthermore, all discussion, decisions and assigned actions from Board meetings are properly recorded in the minutes and meticulously maintained for reference.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART 1 - BOARD RESPONSIBILITIES (CONT'D)****Training and Development of Directors**

The Board acknowledges the importance of continuous training to ensure effective performance of their duties. All Directors are encouraged to attend relevant training programs to gain insight and stay updated on new developments and issues relevant to the Group's business.

During the FYE 2024, the Directors have attended the trainings/seminars as below:-

Name	Description
Dato' Sri Tajudin Bin Md Isa	<ul style="list-style-type: none">Sustainability Awareness for Board Members
Datuk Au Yee Boon	<ul style="list-style-type: none">Bursa Mandatory Accreditation Programme Part II
Kok Soke Kuen	<ul style="list-style-type: none">Bursa Mandatory Accreditation Programme Part II
Chua Ya Ting	<ul style="list-style-type: none">Bursa Mandatory Accreditation ProgrammeCorporate Internal Training by RISE Akademia

Save as disclosed above, Dato' Sri Gan Chow Tee did not attend any training during the financial year due to his busy schedule. He is aware of the duties and responsibilities and will continue to undergo other relevant training programmes to keep abreast with the new regulatory developments and requirements in compliance with the Listing Requirements.

PART 2 - BOARD COMPOSITION**Composition of the Board**

The current composition of the Board consists of five (5) members, comprising of one (1) Independent Non-Executive Chairman, two (2) Executive Directors and two (2) Independent Non-Executive Directors. The Company is in compliance with the Paragraph 15.02(1)(a) of the MMLR, which requires at least two (2) or one third (1/3) of the Board to be comprised of independent directors. The Company has also complied with Paragraph 15.02(1)(b) of the MMLR, that currently out of five (5) Board members, two (2) are female directors. In the event of a vacancy that leads to non-compliance with the requirement, the Company is committed to filing the vacancy within three (3) months.

Additionally, the Board conducts regular assessments of the independence of each Independent Director as part of its annual evaluation process. These assessments consider factors such as the Independent Director's relationship with the Company and their involvement in significant transactions. All Directors are also required to disclose any conflicts of interest or material personal interests in matters related to the Company to ensure transparency.

As recommended by MCCG, the tenure of an Independent Director should not exceed (9) years. However, an extension of their tenure may be considered if the Board provides solid recommendations and obtain shareholders' approval through a two-tier voting process at the general meeting. As at the date this CG Overview Statement, none of the Independent Directors has accumulate a tenure of nine (9) years with the Company.

The brief profile of each Board member is presented under the Directors' Profile of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART 2 - BOARD COMPOSITION (CONT'D)****Board Diversity**

The Board committed to fostering diversity within its membership, embracing gender, ethnicity, skills, experience and age diversity, and is strives to maintain a well-balanced composition for effective functioning of the Board.

The Board is governed by individuals of high integrity who have strong understanding of the Group's businesses and offering breadth in experience and knowledge. They possess the background and expertise in areas such as management, marketing, property developments, investments, finance and accounting. Their combined competencies, technical skills and relevant business experience are vital to supporting the Group's operations and long-term sustainability.

In line with the commitment to gender diversity and compliance with MCCG requirements, the Board has appointed an additional female director, Ms. Chua Ya Ting during the FYE 2024. As a result, the Company now has two (2) female directors on Board.

The Board believes that a truly diverse and inclusive composition will leverage the differences among its members to achieve effective stewardship, and thereby maintaining its competitive advantage.

Nomination Committee

The NC comprises of three (3) members as follows:

Name	Directorship	Designation
Dato' Sri Gan Chow Tee	Independent Non-Executive Director	Chairman
Dato' Sri Tajudin Bin Md Isa	Independent Non-Executive Chairman	Member
Chua Ya Ting	Independent Non-Executive Director	Member

There was one (1) meeting held by NC during the FYE 2024.

The NC play a crucial role in supporting the Board by ensuring its composition reflects an optimal balance of qualifications, skills and experience. They are responsible for identifying and recommending suitable candidates to fill Board vacancies based on their qualifications, abilities and relevant experience.

In addition, the NC has conducted evaluation on an annual basis to assess the effectiveness of the Board Committees and the Board as a whole. This assessment also covered the individual performance and contribution of each Director and included a review of the independence of Independent Directors.

Re-election and Re-appointment of Directors

The Constitution of the Company provides that at least one-third of the Directors are subject to retirement of by rotation at every Annual General Meeting ("AGM"). If the total number of Directors is not three (3) or multiple of three (3), the number nearest to one-third shall retire from office but remains eligible for re-election. The Constitution further provides that all Directors all retire from office at least in each three (3) years but shall be eligible for re-election. In addition, the Directors who are to retire each year are those who have been longest in office since their last election.

The Directors who are seeking for re-election at the forthcoming 24th AGM are Ms Kok Soke Kuen and Ms Chua Ya Ting. Their profiles are disclosed under the Directors' Profile on page 4 and 5.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART 2 - BOARD COMPOSITION (CONT'D)****Board Effectiveness Evaluation**

To ensure the effective operation of the Board and its Committees, the Company undertakes an annual formal evaluation process to assess their performance.

During FYE 2024, the Company utilised a survey method with the assistance from the Company Secretarial team, to evaluate the overall effectiveness of the Board and its committees. The evaluation was conducted based on specific criteria including:

- Board's structure, operations, roles and responsibilities and others;
- Board Committees – composition, expertise, support and communications.

Based on the evaluation results, the NC will make recommendations to the Board to assist them in fulfilling their duties and responsibilities. Overall, the Board is satisfied that its composition is well-balanced with a good mix of skills and experience that enhances the governance of the Group's strategic direction. Additionally, the Board expressed satisfaction with the commitment of the Directors and the time dedicated to their responsibilities.

PART 3 - REMUNERATION

The Board acknowledges that a well-structured remuneration framework helps to maintain competitiveness in attracting and retaining talented individuals serving the Company, ultimately contributing to its long-term success by fostering business stability and growth.

The Board has established the RC to assist them in their oversight function on matters pertaining to remuneration of the Directors and the Senior Management of the Company. The RC will propose the remuneration and benefits of Executive Directors based on corporate and individual performance. As for the remuneration of Non-Executive Directors, it will be determined by the entire Board based on the experience and level of responsibilities undertaken by the Non-Executive Directors.

The aggregate annual Directors' fees and other benefits payable are to be approved by shareholders at the AGM based on recommendations of the Board.

The detailed breakdown of the Directors' fees and other benefits paid to the Directors of the Company and Group for the FYE 2024 are as follows: -

	Company		Group	
	Fees (RM)	Salaries and other emoluments (RM)	Fees RM)	Salaries and other emoluments (RM)
Directors				
Dato' Sri Tajudin Bin Md Isa	120,000	–	120,000	–
Datuk Au Yee Boon	–	–	–	67,200
Kok Soke Kuen	23,355	–	23,355	–
Dato' Sri Gan Chow Tee	36,000	–	36,000	–
Chua Ya Ting (Appointed on 26 December 2023)	24,774	–	24,774	–
Tan Eik Huang (Resigned on 12 September 2023)	–	–	–	–
Lee Boon Siong (Resigned on 26 December 2023)	–	–	87,581	–
Total	204,129	–	291,710	67,200

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART 3 - REMUNERATION (CONT'D)****Remuneration of Senior Management**

The remuneration paid to the Senior Management during the FYE 2024, are as follows:-

Range of Remuneration	Number of Senior Management
Below RM100,000	–
RM100,001 – RM300,000	2
RM300,001 – RM500,000	–

Due to confidentiality and sensitivity of the remuneration package of the senior management as well security concern, the Board opts not disclose the senior management's remuneration component on named basis.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT**AUDIT COMMITTEE****Audit Committee**

The AC consists of three (3) members, all of whom are Independent Non-Executive Directors. The Chairperson of the AC, Ms. Chua Ya Ting, does not hold the position of Chairman of the Board. The Board relies on the AC to provide advice on various matters, including financial reporting, external audits, the internal control environment, the internal audit process, the review of related party transactions, and potential conflicts of interest.

The members of the AC are financially literate and possess commercial expertise, along with a strong knowledge and understanding of the matters within the AC's purview, including the principles and developments of financial reporting. The Board relies on the AC to provide guidance in several areas, including financial reporting, external audits, the internal control environment, the internal audit process, and the review of related party transactions and conflict of interest situations.

The composition, roles and responsibilities of the AC are set out on pages 31 to 33 under the AC Report. The duties and responsibilities of the AC are also available at the AC's Terms of Reference .

Under the AC's Terms of Reference, the AC assists the Board in fulfilling its statutory and fiduciary responsibilities in relation to the Company's internal and external audit functions, risk management and compliance systems and practice, financial statements, accounting and internal control systems and matters that may significantly impact the financial condition or affairs of the business. The AC also responsible in ensuring the accuracy, adequacy and completeness of the financial information to be disclosed and to oversee and scrutinise the process and quality of the financial reporting, including reviewing and monitoring the integrity of the financial statements and the appropriateness of the Group's accounting policies as well as in compliance with the relevant accounting standards. The financial reports would be reviewed by the AC prior to tabling the same to the Board for approval and subsequent release to Bursa Securities.

The AC reviewed the audit scope outlined in the audit planning memorandum, including the work plan, areas of audit emphasis, fee proposal, issues arising from the audit, and the remedial actions taken to address these issues. They also assessed the audit judgments, the level of errors identified during the audit, and the recommendations made by the external auditors.

The Group acknowledges the importance of maintaining the independence of its external auditors and ensuring that no conflicts of interest arise. The AC is aware of Practice 9.2 of the MCCG, which mandates a policy requiring a former audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)**PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)****AUDIT COMMITTEE (CONT'D)****Audit Committee (Cont'd)**

During the FYE 2024, the AC had performed an assessment on the suitability and independence of the new external auditors before making recommendation to the Board for their re-appointment. The AC is satisfied with the results of the aforesaid assessment and is unanimous in their decision to recommend to the Board the re-appointment of the external auditors of the Company for the financial year ending 30 June 2025. The AC has also reviewed the nature and extent of non-audit services provided by the external auditors for the FYE 2024 and recommended to the Board on the re-appointment of external auditors.

Risk Management and Internal Control Framework

The Board acknowledges its overall responsibility for maintaining a sound and effective system of risk management and internal control to safeguard the Group's assets and shareholders' investments. The Board has the overall responsibility in reviewing and monitoring the Group's risk, risk management framework and internal controls system which provides reasonable assurance of effective and efficient operations and compliance with laws and regulations. The Group has in place an on-going process for identifying, evaluating and managing significant risks that may affect the achievement of the business objectives of the Group.

The AC processes are designed to establish a proactive framework and dialogue in which the AC, the management and the external and internal auditors review and assess the risk management framework. The Group has outsourced the internal audit function to a professional service firm which is independent of the activities and operations of the Group. The outsourced internal auditors report directly to the AC.

Details on the risk management and internal control system of the Group are set out in the AC report and Statement on Risk Management and Internal Control.

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

The Company strives to maintain an open transparent channel communications with its stakeholders, aiming to offer a clear and complete picture of the Group's performance and financial position. The communication channels mainly used by the Company to disseminate information on a timely basis are the Company's website, announcement to Bursa Securities and general meetings.

The Company's website at www.ybventures.com incorporates an Investor Relations section which provide corporate information on the Company. The Annual Reports are made available on the Company's website to communicate comprehensive information on how the Company delivers value for the stakeholders. The stakeholders may also forward their queries and suggest improvements to the Company via email address displayed in Contact Us section.

To ensure equal and fair access to information by the public, the Company fulfils its disclosure obligations in accordance with Bursa Securities' Corporate Guidelines. The Board recognise that the material information must be promptly announced through Bursa Securities. These announcements are also featured in the Investor Relations section of the Company's website, contributing to the enhancement of Investor Relations functions.

Besides disseminating through its website and announcements to Bursa Securities, the Board considers the annual and any extraordinary general meetings as ideal opportunities to communicate with shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

CONDUCT OF GENERAL MEETINGS

The AGM and any general meetings serve as important forum for shareholders to engage with Directors and Senior Management of the Company. During the AGM, the Board has the opportunity to gather valuable feedback, leverage insights from shareholders and enhance shareholders' understanding of the Company's businesses, governance and performance.

In line with good governance practice, the AGM notices were dispatched to shareholders together with the Annual Report at least 28 days prior to the meeting. This provides shareholders adequate time to review the Group's financial and operational performance and consider the resolutions tabled during the AGM. Shareholders will also have the opportunity to pose questions or seek clarification on the agenda items. The upcoming AGM is set to be conducted virtually through live streaming and online remote voting via the remote participation and voting facilities.

All the resolutions set out in the Notice of the AGM were subjected an electronic poll for voting. Shareholders were receiving guidance on the voting procedures from the poll administrator prior to the poll voting and an independent scrutineer was appointed to validate the votes cast. The outcome of the AGM was announced to Bursa Securities on the same meeting date.

STATEMENT OF COMPLIANCE

Overall, the Company has substantially complied with most of the practices of the MCCG for the FYE 2024, except for some departures which set out in the CG Report.

The Board remains dedicated and will continue to enhance the implementation of the corporate governance practices and procedures throughout the Group, with the aim of safeguarding the interest of both shareholders and stakeholders.

This Statement was approved by the Board of Directors of the Company on 24 October 2024.

AUDIT COMMITTEE REPORT

The Board of Directors (“**Board**”) of YB Ventures Berhad (“**YB**” or the “**Company**”) is pleased to present the Audit Committee (“**AC**”) Report for the financial year ended 30 June 2024 (“**FYE 2024**”).

In line with the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), the AC has been entrusted by the Board to execute its governance and oversight responsibility in reporting practices and risk management within the Group. The terms of reference (“**TOR**”) of the AC is available on the Company’s website at www.ybventures.com.

COMPOSITION OF THE AC

The current AC comprises three (3) members, all of whom are Independent Non-Executive Directors. The composition of the AC complies with Paragraph 15.09(1)(a) and (b) of MMLR of Bursa Securities and Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance 2021 (“**MCCG**”).

Name	Position	Designation
Chua Ya Ting	Chairperson	Independent Non-Executive Director
Dato’ Sri Tajudin Bin Md Isa	Member	Independent Non-Executive Director
Dato’ Sri Gan Chow Tee	Member	Independent Non-Executive Director

The AC is chaired by Ms Chua Ya Ting, an independent non-executive director, who is not the Chairman of the Board, in compliance with Practice 9.1 of the MCCG. She is a member of the Malaysian Institute of Accountants with experience in audit and tax covering statutory and regulatory reporting. All AC members have relevant experience and knowledge required in discharging their roles and responsibilities effectively. None of the AC members is an alternate director.

The Company acknowledges the importance of maintaining the independence of its external auditors and ensuring the absence of any potential conflict of interest. The AC took note on the Practice 9.2 of the MCCG to have a policy that requires a former audit partners of existing external auditors engaged by the Group to observe a cooling-off period of at least three (3) years before appointed as a member of the AC. Currently, none of the AC members were former audit partners of the external auditors engaged by the Group.

ATTENDANCE OF MEETINGS

The AC conducted five (5) meetings during the FYE 2024. The details of the attendance of the AC members were as below: -

Name	Attendance
(a) Chua Ya Ting (Appointed on 26 December 2023)	2/2
(b) Dato’ Sri Tajudin Bin Md Isa	5/5
(c) Dato’ Sri Gan Chow Tee	5/5
(d) Kok Soke Kuen (Resigned on 26 December 2023)	3/3

The AC meetings were convened on a quarterly basis and additional AC meetings may be called at any time as and when necessary. According to the TOR, two (2) of its members with a majority of Independent Directors present shall form a quorum. These meetings were structured with agendas which were distributed to the AC with sufficient notification.

The senior management and relevant finance personnel were invited to all the AC meetings to facilitate direct communications and to provide clarification of financial reports. In addition, the Company Secretaries and their representatives were present at all AC meetings to record and prepare minutes of the meetings. Internal Auditors and External Auditors were invited to certain of these meetings for the presentations on audit plan and audit findings. Other Board members and designated members of the management may also attend the AC meetings upon the invitation from the AC.

Minutes of each meeting were recorded and tabled for confirmation at the following AC meeting and subsequently presented to the Board for notation.

AUDIT COMMITTEE REPORT (CONT'D)

EVALUATION OF THE AC

During the year under review, the Nomination Committee reviewed the terms of office and performance of the AC and each of its members. The Board was satisfied that the AC and each of its members have discharged their functions, duties and responsibilities in accordance with the TOR and supported the Board in ensuring the Group upholds the appropriate Corporate Governance Standards.

SUMMARY OF THE WORK OF THE AC

In discharging its duties and responsibilities, the AC had undertaken the following activities during the FYE 2024:

1. Financial Reporting and Compliance

- (a) Reviewed the Group's quarterly financial results and annual audited financial statements for recommendation to the Board for approval; and
- (b) Discussed with Management, amongst others, the accounting principles and standards that were applied and critical judgment exercised with emphasis on accounting estimates, that may affect the financial results.

2. Internal Audit ("IA") and Risk Management

- (a) Reviewed with the internal auditors, the internal audit reports of the subsidiaries in scope and accessed the IA's findings and recommendations;
- (b) Considered and approved the annual internal audit plan and be satisfied as to the adequacy of the scope, coverage and audit methodologies employed;
- (c) Evaluated the adequacy and performance of internal audit function and its comprehensiveness of the coverage of activities within the Group;
- (d) Reviewed and approved the Statement of Risk Management and Internal Control as required by MMLR of Bursa Securities; and
- (e) Reviewed the effectiveness and efficiency of the Group's internal controls and risk management processes.

3. External Audit

- (a) Reviewed and approved the external auditors' audit planning memorandum outlining their scope of work and area of audit emphasis;
- (b) Reviewed the audited financial statements FYE 2024 before recommending for Board's approval;
- (c) Discussed on findings, problems and recommendations arising from the statutory audits and any matters the external auditors wished to discuss as well as reviewed the extent of cooperation and assistance given by employees of the Group to the external auditors;
- (d) Meet with external auditors without the presence of executive board members and management to discuss any key audit concerns and findings of the Group; and
- (e) Assessed the performance, independence and objectivity of the external auditors and recommended to the Board on their reappointment and remuneration.

AUDIT COMMITTEE REPORT
(CONT'D)

SUMMARY OF THE WORK OF THE AC (CONT'D)

4. Others

- (a) Reviews and recommended to the Board for approval, the Corporate Governance Report, as well as the Corporate Governance Overview Statement, Statement on Risk Management and Internal Control and AC Report for inclusion in the Annual Report;
- (b) Reviewed related party transactions and conflict of interest situation that may arise within the Company or the Group, if any;
- (c) Reviewed quarterly announcements prior to recommendation to the Board for approval to ensure that the announcements reflect the situation and are representative of their views.

INTERNAL AUDIT FUNCTION

The Group's internal audit function was outsourced to a professional firm named Atrium Advisory PLT ("**Atrium Advisory**" or "**IA**"). The IA independently reviews the risk identification procedures and control processes implemented by the Management, conducts audits to review critical areas of the Group's operations, and reports to the AC.

The introduction of the internal audit functions facilitates the execution of corrective measures to tackle identified weaknesses in the systems and controls of the respective operating areas. The initiative aimed to enhance efficiency and optimize resource management across all aspects of the Group's operations.

The appointment and resignation of the internal auditors as well as the proposed audit fees are subject to review by the AC and for its reporting to the Board for the ultimate approval.

The total costs incurred by the Internal Auditor function in respect of the FYE 2024 amounted to RM45,000.

Further details of the internal audit function and its activities are provided in the Statement on Risk Management and Internal Control, set out in pages 35 to 37 of this Annual Report.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees payable to the external auditors by the Company and its subsidiaries for the financial year ended 30 June 2024 are as follows: -

Type of Fees	Company (RM)	Group (RM)
Audit Fees	52,000	231,122
Non-audit Fees	5,000	5,000

MATERIAL CONTRACTS

There were no material contracts outside the ordinary course of business entered into by the Company and its subsidiaries involving Director's and major shareholder's interest which were still subsisting at the end of the financial year ended 30 June 2024 or entered into since the end of the previous financial year.

UTILISATION OF PROCEEDS

The Company did not raise any funds through any corporate proposals during the financial year ended 30 June 2024.

EMPLOYEES SHARE OPTION SCHEME

The Employees Share Option Scheme of up to 15% of the total number of issued shares of the Company ("ESOS") was approved by the Shareholders at the Extraordinary General Meeting held on 30 October 2020. The ESOS which is governed by its By-Laws was implemented on 5 April 2021 and shall be in force for a period of five (5) years.

None of such option had been granted to any eligible persons by the Company under ESOS since its commencement up to the 30 June 2024.

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

There was no RRPT of a revenue or trading nature during the financial year ended 30 June 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“**Board**”) is pleased to present the Statement on Risk management and Internal Control for the financial year ended 30 June 2024, which was prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements and guided by the “Statement on Risk Management and Internal Control-Guidelines for Directors of Listed Issuers” endorsed by Bursa Malaysia Securities Berhad.

The Board is committed to maintain a sound system of risk management and internal control within the Group. Accordingly, the Board is pleased to provide the following statement, which outlines the main features and scope of the risk management and internal control system of the Group during the financial year ended 30 June 2024.

BOARD’S RESPONSIBILITY

The Board acknowledges that risk management and internal control are integral to corporate governance and it plays a role in establishing a sound risk management framework and internal control system as well as to ensure their adequacy and effectiveness. The Board recognises that the Group’s risk management framework and internal control system are designed to manage risks within the Group’s acceptable risk appetite and not to eliminate the risk of failure, as this is significant in achieving the Group’s business targets and corporate objectives. As risks are inherent in all business activities, the said framework and system provide reasonable, rather than absolute assurance against the risks of material misstatement of financial information or against financial losses and fraud or breaches of laws or regulations.

The Board confirms that there is an ongoing risk management process established to identify, evaluate and manage significant risks to mitigate the risks that may impede the achievement of the Group’s business targets and corporate objectives.

The review of the adequacy and effectiveness of the risk management framework and the system of internal control is delegated by the Board to the Audit Committee (“**AC**”).

KEY ELEMENTS OF INTERNAL CONTROL

The key elements of the Group’s system of internal control include:

1. A well-defined organisation structure with clearly defined lines of responsibility, authority and accountability;
2. Approval and authority limits are imposed on management in respect of day-to-day operations as well as major non-operating transactions;
3. Formalised standard operating procedures are in place to ensure compliance with internal controls and the relevant laws and regulations;
4. The Board and the AC meet at least once every quarter to discuss the Group’s financial performance, business operations and strategies, corporate updates and internal audit findings, if any;
5. Regular training and development programmes are attended by employees to enhance their knowledge and competency;
6. Management financial statements and reports are prepared regularly for monitoring of actual performance by the management; and
7. A fully independent AC comprised solely Independent Directors with full and unrestricted access to both internal and external auditors.

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

RISK MANAGEMENT FRAMEWORK AND PROCESS

The risk management framework adopts a structured and integrated approach in managing key business risks with the aim of safeguarding the Group's assets and shareholders' interests.

The AC, on behalf of the Board, reviews the adequacy and effectiveness of the risk management process from time to time. In this respect, it is assisted by the Executive Directors together with the management to identify and assess risks as well as to ensure that the risk management process is adequate and effective. All policies and procedures formulated to identify, measure and monitor various risk components are reviewed by the AC. Additionally, the AC ensures the infrastructure, resources and systems are in-place for implementing the risk management process.

The risk management process involves the management in each functional or operating unit of the Group and is managed by the AC, with the assistance of Executive Directors. The risks identified remain the foundation in developing a risk profile and the action plans to assist management to manage and respond to these risks.

The Group's risk management practices are business driven and the processes in identifying, evaluating and managing significant risks facing the Group are embedded into its culture and operations. These processes are driven by the Executive Directors together with management and are responsive to changes in the business environment and are communicated to all levels.

The on-going internal control and risk management processes have been integrated and embedded into the Group structure and conduct of business for the achievement of the Group's objectives. The Board will continue to review these processes to ensure adequacy and effectiveness of the system.

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function and is committed to articulating, implementing and reviewing the Group's system of internal control. The Group outsources the internal audit function to a professional services firm that reports directly to the AC. The internal audit firm carries out its function independently with a risk-based approach and reports to the AC and the Board on the adequacy and effectiveness of the system of internal controls in areas reviewed during the financial year.

During the FYE2024, the internal auditor has conducted review on internal control of the selected subsidiaries focusing on the areas namely safety and health management, human resources management and product costing. The internal audit provides an assessment of the adequacy, efficiency and effectiveness of the Group's system of internal control to ensure that the internal controls are viable and robust. The audit findings and where necessary, recommended improvements are presented to the AC during their meetings. In addition, the internal auditors also carried out follow-up reviews to ensure their recommendations for improvements to internal controls are implemented.

The AC ensures that follow up actions and control measures are carried out by the management to address the control weaknesses raised before reporting and making recommendations to the Board. The AC also approves the annual internal audit plan, review internal auditor's findings and recommendations. The AC presents its findings to the Board at the scheduled meetings or earlier as appropriate.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(CONT'D)**REVIEW OF STATEMENT BY EXTERNAL AUDITOR**

The external auditors have reviewed this Statement on Risk Management and Internal Control as required under the Paragraph 15.23 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

The external auditors have reviewed this statement for inclusion in this Annual Report and have reported to the Board that nothing has come to their attention which causes them to believe that this statement is inconsistent with their understanding of the process adopted by the Board and management in reviewing the adequacy and integrity of the risk management and effectiveness of the systems of risk management and internal control systems within the Group.

CONCLUSION

The Board received assurance from the Executive Directors and the Management that the Group's risk management and internal control system have been operating adequately and effectively in all material respects for the financial year under review. Continuous emphasis on measures to protect and enhance shareholder value and business sustainability will remain a focus of the Group. The Board is not aware of any significant weaknesses or deficiencies in the Group's risk management and internal control system for the period under review and up to the date of this report.

The Board recognises that fact that the systems of internal control and risk management practices should be documented and evolve with the ever changing and challenging business environment in order to support the Group's operation. The Board, assisted by the Management, will put in place appropriate action plans to rectify and improve internal control weaknesses in the forthcoming financial years.

This statement was approved by the Board of Directors on 24 October 2024.

DIRECTORS' RESPONSIBILITY STATEMENT IN RELATION TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

The Directors are required by the Companies Act 2016 (“**Act**”) to prepare the financial statements for each financial year in accordance with the applicable approved accounting standards in Malaysia, the provisions of the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year, and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements for the financial year ended 30 June 2024, the Directors have:

- adopted appropriate and relevant accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act and have been made out in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for taking the necessary steps to ensure appropriate systems are in place to safeguard the assets of the Group and the Company, and to detect and prevent fraud and other irregularities.

FINANCIAL STATEMENTS

40	Directors' Report
47	Statement by Directors
48	Statutory Declaration
49	Independent Auditors' Report
55	Statements of Financial Position
57	Statements of Profit or Loss and Other Comprehensive Income
59	Statements of Changes in Equity
62	Statements of Cash Flows
65	Notes to the Financial Statements



DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The information on the name, place of incorporation, effective interest and principal activities of each subsidiary is disclosed in Note 9 to the financial statements.

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial year	<u>(49,510,112)</u>	<u>(7,142,082)</u>

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

RESERVES AND PROVISIONS

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

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The directors do not recommend any dividend in respect of the current financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid up share capital through the issuance of 79,166 new ordinary shares pursuant to the conversion of RM0.04 nominal value of irredeemable convertible unsecured loan stock ("ICULS") at RM0.48 per ordinary share.

There was no issuance of debentures during the financial year.

IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2021/2026 ("ICULS")

On 10 September 2021, 1,209,041,795 ICULS were issued pursuant to the Right Issue of ICULS at its nominal value of RM0.04 each amounting to RM48,361,672 nominal value of ICULS issued.

The salient terms of the ICULS are detailed in Note 21 to the financial statements.

Details of ICULS issued to directors are disclosed in the section of Directors' Interests in this report.

WARRANTS 2022/2025

On 28 September 2022, the Company has issued 145,250,984 units of free warrants on the basis of one (1) warrant for every two (2) existing ordinary shares held by the shareholders. The exercise price of the warrants is fixed at RM0.37 for one (1) ordinary share.

The salient terms of the Warrants 2022/2025 are detailed in Note 20 to the financial statements.

Details of Warrants 2022/2025 issued to directors are disclosed in the section of Directors' Interests in this report.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Datuk Au Yee Boon *

Dato' Sri Tajudin Bin Md Isa

Dato' Sri Gan Chow Tee

Kok Soke Kuen

Chua Ya Ting

Lee Boon Siong

Tan Eik Huang

(Appointed on 26 December 2023)

(Resigned on 26 December 2023)

(Resigned on 12 September 2023)

* Director of the Company and of its subsidiary companies

The directors who held office in the subsidiaries (excluding directors who are also directors of the Company) during the financial year and during the period from the end of the financial year to the date of this report are:

Goh Chee Kien

Lee Boon Siong

The information required to be disclosed pursuant to Section 253 of the Companies Act, 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

DIRECTORS' REPORT
(CONT'D)**DIRECTORS' INTERESTS**

The interests and deemed interests in the shares of the Company or its related corporations (other than wholly-owned subsidiary companies) of those who were directors at financial year end (including their spouses or children) according to the Register of directors' Shareholdings are as follows:

	Number of ordinary shares		
	At 01.07.2023	Additions	At 30.06.2024
Interest in the Company			
Direct interests:			
Datuk Au Yee Boon	13,115,833	-	13,115,833
Indirect interests:			
Datuk Au Yee Boon*	24,192,166	-	24,192,166

	Number of ICULS		
	At 01.07.2023	Acquired	At 30.06.2024
Interest in the Company			
Direct interests:			
Datuk Au Yee Boon	100,793,096	-	100,793,096
Indirect interests:			
Datuk Au Yee Boon*	170,960,830	-	170,960,830

	Number of Warrants 2022/2025		
	At 01.07.2023	Issued	At 30.06.2024
Interest in the Company			
Direct interests:			
Datuk Au Yee Boon	6,557,916	-	6,557,916
Indirect interests:			
Datuk Au Yee Boon*	12,096,083	-	12,096,083

* Deemed interested in the shares of the Company by virtue of his substantial shareholdings in TechBase Solution Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016 and deemed interested by virtue of shares held by his spouse in the Company.

DIRECTORS' REPORT
(CONT'D)**DIRECTORS' INTERESTS (CONT'D)**

By virtue of their interests in the shares of the Company, the directors are also deemed interested in the shares of all the subsidiaries during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act, 2016 in Malaysia.

None of the other directors in office at the end of the financial year had any interest in the ordinary shares of the Company or of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors as shown in below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the director has a substantial financial interest, other than certain directors who have significant financial interests in the companies which traded with certain companies in the Group in the ordinary course of business in which a Director is a member as disclosed in Note 35(b) to the financial statements.

The details of the directors' remuneration for the financial year ended 30 June 2024 are set out below:

	Group RM	Company RM
Directors' fee	291,710	204,129
Salaries, wages and others	60,000	-
Defined contribution plans	7,200	-
	<u>358,910</u>	<u>204,129</u>

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than those arising from the Irredeemable Convertible Unsecured Loan Stocks ("ICULS") and Warrants issued by the Company as disclosed in Notes 21 and 20 to the financial statements, respectively.

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of insurance premium paid for the directors and officers of the Company were RM10,894. No indemnity was given to or insurance effected for auditors of the Company.

DIRECTORS' REPORT
(CONT'D)**OTHER STATUTORY INFORMATION**

- (a) Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts to be written off and adequate allowance 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 the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or the amount of the allowance 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 values attributed to 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 method 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 of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (c) 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; and
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

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 when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company in the financial year in which this report is made.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2024 are as follow:

	Group RM	Company RM
Auditors' remuneration (inclusive of non-audit services)		
Morison LC PLT	209,000	57,000
Other auditors	<u>27,122</u>	<u>-</u>
	<u>236,122</u>	<u>57,000</u>

SUBSEQUENT EVENTS

The details of subsequent events are disclosed in Note 39 to the financial statements.

DIRECTORS' REPORT
(CONT'D)**AUDITORS**

The auditors, Morison LC PLT, have indicated their willingness to continue in office.

This report was approved by the Board of Directors.

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

DATUK AU YEE BOON

KOK SOKE KUEN

Petaling Jaya
24 October 2024

**STATEMENT BY
DIRECTORS**

The directors of **YB VENTURES BERHAD** state that, in their opinion, the accompanying financial statements, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of their financial performance and cash flows for the financial year then ended.

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

DATUK AU YEE BOON

KOK SOKE KUEN

Petaling Jaya
24 October 2024

STATUTORY DECLARATION

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **KOH CHEE HUAT**, the officer primarily responsible for the financial management of **YB VENTURES BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.

KOH CHEE HUAT

Subscribed and solemnly declared by the
abovenamed at **PETALING JAYA** in the state
of **Selangor Darul Ehsan** on 24 October 2024.

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YB VENTURES BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **YB VENTURES BERHAD**, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 55 to 133.

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 30 June 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for 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 IESBA Code.

INDEPENDENT AUDITORS' REPORT
(CONT'D)**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 for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there were no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Key Audit Matters	How we addressed the key audit matters
<p>Impairment of property, plant and equipment</p> <p>Refer to Note 3, 4 and 5 to the financial statements for the Group's accounting policies on impairment of non-financial assets, key sources of estimation uncertainty and related disclosure.</p> <p>As at 30 June 2024, Yi-Lai Industry Berhad, a subsidiary of the Group, has plant, machinery, and capital work-in-progress with a total carrying value of RM39,778,121, representing 21% of the Group's total property, plant, and equipment. The subsidiary has recorded losses for two consecutive financial years, indicating a potential impairment of these assets.</p> <p>In response to these impairment indicators, management performed an impairment assessment, estimating the recoverable amount of these assets using the value-in-use ("VIU") method. The VIU calculation requires significant judgement and is dependent on certain key assumptions. Due to the complexity and subjectivity involved in these assumptions, there is an inherent degree of estimation uncertainty.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the relevant controls management has in place to assess impairment indicators and to determine the recoverable amount of assets. This involved assessing the processes management uses to identify potential impairment triggers and evaluating the approval and oversight mechanisms in place for the impairment assessment process. • We critically assessed the methodology applied by management for determining the VIU, including evaluating whether the underlying cash flow projections were reasonable and aligned with historical performance and market conditions. • We challenged the key assumptions used by management, by comparing them to available industry data, historical trends, and market forecasts.

INDEPENDENT AUDITORS' REPORT
(CONT'D)

Key Audit Matters	How we addressed the key audit matters
<p>Given the material significance of these assets to the Group's financial position, and the considerable judgement required in determining the VIU, the impairment assessment of these assets has been identified as a key audit matter.</p>	<ul style="list-style-type: none"> • We tested the accuracy and completeness of the input data used in the preparation of the cash flows projection by comparing the data to historical financial information and verified actual results. • We independently evaluated the appropriateness of the discount rate applied in the VIU calculation by benchmarking it against external market data. • We performed a sensitivity analysis by changing key assumptions to assess the impact of the recoverable amount.
<p>Net realisable value of inventories</p> <p>Refer to Note 3, 4 and 13 to the financial statements for the Group's accounting policies on inventories, key sources of estimation uncertainty and related disclosure.</p> <p>As at 30 June 2024, the Group recorded inventories amounting to RM41,851,464, representing 12% of the Group's total assets. Among these, finished goods accounted for RM25,787,210, or 62% of total inventories. The finished goods primarily consist of ceramic and homogeneous tiles, featuring a diverse range of designs. However, certain finished goods have been identified as having quality issues, being slow-moving, or being outdated in terms of design.</p> <p>The assessment of inventories is considered a key audit matter due to the significant value of inventories relative to the Group's total assets and the associated risks in their valuation. This includes the need to evaluate the Group's ability to sell finished goods in a market that may be subject to fluctuations and changing consumer preferences.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the relevant controls over inventory management, focusing on processes for identifying and addressing slow-moving and obsolete inventories, and performed procedures to evaluate design and implement of these controls. • We tested the valuation of finished goods by assessing management's estimates of net realisable value. This included comparing the unit cost to the selling price for sales transactions occurring subsequent to the year-end. • We examined current market conditions and trends affecting the demand for the Group's finished goods to determine the reasonableness of management's assumptions regarding future sales forecasts. • We evaluated the reasonableness and tested the adequacy of written down of inventories recognised.

**INDEPENDENT AUDITORS' REPORT
(CONT'D)****Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

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

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

Responsibilities of the directors for the Financial Statements

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

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

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.

INDEPENDENT AUDITORS' REPORT
(CONT'D)

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

INDEPENDENT AUDITORS' REPORT
(CONT'D)

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 subsidiary companies of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

- (i) The financial statements of the Group and of the Company for the preceding financial year were audited by another firm of auditors and are presented here merely for comparative purposes. The report issued by the predecessor auditors, which was dated 26 October 2023, expressed an unmodified opinion.
- (ii) 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.

MORISON LC PLT (AF 002469)
202206000028 (LLP0032572-LCA)
Chartered Accountants

LEE HUI ZIEN
03564/03/2025 J
Chartered Accountant

Petaling Jaya
24 October 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	5	193,794,037	177,660,987	253,332	9,861,069
Investment properties	6	25,270,780	24,091,242	-	-
Right-of-use assets	7	3,332,759	4,493,158	1,072,415	1,315,026
Intangible asset	8	517,141	882,181	-	-
Investment in subsidiaries	9	-	-	145,572,554	151,316,213
Investment in an associate	10	4,474,289	9,192,241	-	-
Other investments	11	28,001,047	19,561,360	-	-
Deferred tax assets	12	51,553	64,870	32,777	42,534
Total Non-Current Assets		255,441,606	235,946,039	146,931,078	162,534,842
Current Assets					
Inventories	13	41,851,464	52,081,864	-	-
Trade receivables	14	16,421,511	16,154,345	-	-
Other receivables	15	3,773,577	2,201,426	294,603	265,127
Contract assets	16	3,686,406	3,061,944	-	-
Amount due from subsidiaries	17	-	-	25,544,803	16,683,110
Current tax assets		856,502	717,029	109,372	40,613
Other investments	11	10,263,713	46,889,411	-	-
Cash and bank balances	18	10,412,277	15,741,738	75,596	334,511
		87,265,450	136,847,757	26,024,374	17,323,361
Assets held for sale	19	764,660	-	-	-
Total Current Assets		88,030,110	136,847,757	26,024,374	17,323,361
Total Assets		343,471,716	372,793,796	172,955,452	179,858,203

STATEMENTS OF FINANCIAL POSITION
(CONT'D)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
EQUITY					
Share capital	20	110,792,213	110,754,174	110,792,213	110,754,174
ICULS equity component	21	48,098,604	48,136,481	48,098,604	48,136,481
Reserves	22	126,757,115	169,889,196	12,089,680	19,231,762
Total Equity		<u>285,647,932</u>	<u>328,779,851</u>	<u>170,980,497</u>	<u>178,122,417</u>
LIABILITIES					
Non-Current Liabilities					
Lease liabilities	23	1,688,401	2,789,544	821,404	1,071,432
ICULS liability component	21	90,801	131,458	90,801	131,458
Deferred tax liabilities	12	19,727,005	10,224,827	-	-
Total Non-Current Liabilities		<u>21,506,207</u>	<u>13,145,829</u>	<u>912,205</u>	<u>1,202,890</u>
Current Liabilities					
Trade payables	24	4,763,224	2,988,818	-	-
Other payables	25	5,691,615	5,819,174	251,662	156,865
Bank borrowings	26	24,513,365	20,750,740	-	-
Lease liabilities	23	1,303,605	1,217,415	361,050	330,263
ICULS liability component	21	45,768	45,768	45,768	45,768
Amount due to a subsidiary	17	-	-	404,270	-
Amount due to an associate	27	-	27,825	-	-
Current tax liabilities		-	18,376	-	-
Total Current Liabilities		<u>36,317,577</u>	<u>30,868,116</u>	<u>1,062,750</u>	<u>532,896</u>
Total Liabilities		<u>57,823,784</u>	<u>44,013,945</u>	<u>1,974,955</u>	<u>1,735,786</u>
Total Equity and Liabilities		<u>343,471,716</u>	<u>372,793,796</u>	<u>172,955,452</u>	<u>179,858,203</u>

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	28	66,218,661	66,803,667	-	-
Cost of sales		(76,148,477)	(85,717,592)	-	-
Gross loss		(9,929,816)	(18,913,925)	-	-
Other income		2,299,798	23,839,826	-	-
Distribution expenses		(11,129,752)	(10,357,664)	-	-
Administrative expenses		(7,462,602)	(15,821,983)	(6,793,491)	(1,074,815)
(Allowance for)/Reversal of impairment loss on receivables		(185,533)	182,737	(844,977)	-
Other expenses		(9,285,566)	(3,055,103)	-	-
Loss from operations		(35,693,471)	(24,126,112)	(7,638,468)	(1,074,815)
Finance income		343,209	661,511	591,590	431,002
Finance costs		(1,505,130)	(1,204,718)	(85,447)	(102,229)
Share of results of an associate, net of tax		(4,717,952)	(706,667)	-	-
Loss before tax	29	(41,573,344)	(25,375,986)	(7,132,325)	(746,042)
Taxation	30	(7,936,768)	6,117,594	(9,757)	(282)
Loss for the financial year		<u>(49,510,112)</u>	<u>(19,258,392)</u>	<u>(7,142,082)</u>	<u>(746,324)</u>

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(CONT'D)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Other comprehensive income/(loss)					
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-	-	-
Foreign currency translation differences		50,572	474,776	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Fair value changes on equity investment at fair value through other comprehensive income ("FVOCI")		(9,386,163)	(733,551)	-	-
Revaluation of property, plant and equipment		15,713,622	-	-	-
Other comprehensive income/(loss) for the financial year		6,378,031	(258,775)	-	-
Total comprehensive loss for the financial year		<u>(43,132,081)</u>	<u>(19,517,167)</u>	<u>(7,142,082)</u>	<u>(746,324)</u>
Loss per share					
Basic (sen)	32	<u>(16.99)</u>	<u>(6.61)</u>		
Diluted (sen)	32	<u>(16.99)</u>	<u>(6.61)</u>		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Note	Attributable to Owners of the Company						
	Non-Distributable			Distributable			Total equity RM
	Share capital RM	ICULS equity component RM	Treasury shares RM	Foreign currency translation reserve RM	Fair value reserve RM	Revaluation reserve RM	
Group							
At 1 July 2023	110,754,174	48,136,481	(256,687)	4,489,280	(11,293,849)	76,752,541	328,779,851
Loss for the financial year	-	-	-	-	-	-	(49,510,112)
Fair value changes on equity investment at FVOCI	-	-	-	-	(9,386,163)	-	(9,386,163)
Foreign currency translation differences	-	-	-	50,572	-	-	50,572
Revaluation of property, plant and equipment	-	-	-	-	-	15,713,622	15,713,622
Transfer of loss on disposal of equity investment at FVOCI	-	-	-	-	3,450,452	-	(3,450,452)
Transfer of assets held for sales	-	-	-	-	-	(577,257)	577,257
Total comprehensive income/(loss) for the financial year	-	-	-	50,572	(5,935,711)	15,136,365	(43,132,081)
Transaction with owners							
Conversion of ICULS	38,039	(37,877)	-	-	-	-	162
At 30 June 2024	110,792,213	48,098,604	(256,687)	4,539,852	(17,229,560)	91,888,906	285,647,932

STATEMENTS OF CHANGES IN EQUITY
(CONT'D)

	Attributable to Owners of the Company							
	Non-Distributable				Distributable			
	Share capital RM	ICULS equity component RM	Treasury shares RM	Foreign currency translation reserve RM	Fair value reserve RM	Revaluation reserve RM	Retained earnings RM	Total equity RM
Group								
At 1 July 2022	110,754,174	48,136,481	(256,687)	4,014,504	(10,560,298)	76,752,541	119,456,303	348,297,018
Loss for the financial year	-	-	-	-	-	-	(19,258,392)	(19,258,392)
Fair value changes on equity investment at FVOCI	-	-	-	-	(733,551)	-	-	(733,551)
Foreign currency translation differences	-	-	-	474,776	-	-	-	474,776
Total comprehensive income/(loss) for the financial year	-	-	-	474,776	(733,551)	-	(19,258,392)	(19,517,167)
At 30 June 2023	110,754,174	48,136,481	(256,687)	4,489,280	(11,293,849)	76,752,541	100,197,911	328,779,851

STATEMENTS OF CHANGES IN EQUITY
(CONT'D)

	Attributable to Owners of the Company				
	Share capital RM	Non-Distributable ICULS equity component RM	Treasury shares RM	Distributable Retained earnings RM	Total Equity RM
Company					
At 1 July 2023	110,754,174	48,136,481	(256,687)	19,488,449	178,122,417
Loss for the financial year representing total comprehensive loss for the financial year	-	-	-	(7,142,082)	(7,142,082)
Transaction with owners:					
Conversion of ICULS	21	38,039	(37,877)	-	162
At 30 June 2024	110,792,213	48,098,604	(256,687)	12,346,367	170,980,497
At 1 July 2022	110,754,174	48,136,481	(256,687)	20,234,773	178,868,741
Loss for the financial year representing total comprehensive loss for the financial year	-	-	-	(746,324)	(746,324)
At 30 June 2023	110,754,174	48,136,481	(256,687)	19,488,449	178,122,417

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities				
Loss before tax	(41,573,344)	(25,375,986)	(7,132,325)	(746,042)
Adjustments for:				
Amortisation of intangible assets	365,040	365,039	-	-
Change in fair value of other investments	(91,917)	(23,575,008)	-	-
Depreciation of:				
- Property, plant and equipment	8,323,745	7,640,633	82,737	82,737
- Investment properties	338,214	296,684	-	-
- Right-of-use assets	1,578,984	1,706,154	347,810	363,731
Dividend income from other investments	(176,661)	(402,678)	-	-
Finance income	(166,548)	(258,833)	(591,590)	(431,002)
Finance costs	1,505,130	1,204,718	85,447	102,229
Gain on early termination of lease contracts	(9,077)	(7,753)	-	-
(Gain)/Loss on disposal of:				
- Property, plant and equipment	(29)	(98)	-	-
- Other investments at fair value through other comprehensive income ("FVOCI")	150,000	-	-	-
- Other investments at fair value through profit or loss ("FVTPL")	6,838,041	2,780,013	-	-
Impairment loss on:				
- Property, plant and equipment	-	5,590,733	-	-
- Investment properties	347,715	-	-	-
- Investment in subsidiaries	-	-	5,743,659	-
- Trade receivables	192,004	40,493	-	-
- Amount due from subsidiaries	-	-	844,977	-
Inventories written down	2,067,652	4,538,574	-	-
Reversal of impairment loss on trade receivables	(6,471)	(223,230)	-	-
Share of results of an associate	4,717,952	706,667	-	-

STATEMENTS OF CASH FLOWS
(CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unrealised loss/(gain) on foreign exchange	27,507	(29,703)	-	-
Written off of:				
- Property, plant and equipment	3,081	587,274	-	-
- Inventories	1,267	-	-	-
Operating loss before working capital changes	(15,567,715)	(24,416,307)	(619,285)	(628,347)
Changes in working capital:				
Inventories	8,161,481	1,699,039	-	-
Trade receivables	(456,330)	10,134,513	-	-
Other receivables	(1,572,151)	3,063,603	(29,476)	(9,601)
Contract assets	(624,462)	4,452,639	-	-
Trade payables	1,774,406	(7,567,083)	-	-
Other payables	(127,559)	(1,593,630)	94,797	(1,696)
Cash used in operations	(8,412,330)	(14,227,226)	(553,964)	(639,644)
Net tax paid	(157,871)	(502,271)	(68,759)	(236,282)
Net cash used in operating activities	(8,570,201)	(14,729,497)	(622,723)	(875,926)
Cash flows from investing activities				
Additions of:				
- Property, plant and equipment	(7,986,766)	(29,928,984)	-	(26,620,514)
- Investment properties	(1,865,467)	(9,308,742)	-	-
Dividends received from other investments	176,661	402,678	-	-
Interest received	166,548	258,833	1,331	431,002
Net (acquisition of)/proceeds from:				
- Other investments at FVOCI	(17,975,850)	-	-	-
- Other investments at FVTPL	29,879,574	5,556,234	-	-

STATEMENTS OF CASH FLOWS
(CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Net changes in:				
- Amount due from subsidiaries	-	-	408,589	7,426,794
- Fixed deposits pledged to licensed banks	2,831,965	(3,720,883)	-	-
- Fixed deposits maturity more than 3 months	(1,100,008)	1,799,977	-	-
Proceeds from disposal of property, plant and equipment	30	100	-	-
Net cash generated from/(used in) investing activities	4,126,687	(34,940,787)	409,920	(18,762,718)
Cash flows from financing activities				
Interest paid	(1,545,625)	(1,242,412)	(121,672)	(140,712)
Net changes in amount due to a subsidiary	-	-	400,000	-
Net changes in bank borrowings	3,766,260	4,219,023	-	-
Repayments of:				
- Lease liabilities	(1,340,177)	(1,454,481)	(324,440)	(322,806)
- Amount due to an associate	(27,825)	-	-	-
Net cash generated from/(used in) financing activities	852,633	1,522,130	(46,112)	(463,518)
Net changes in cash and cash equivalents	(3,590,881)	(48,148,154)	(258,915)	(20,102,162)
Cash and cash equivalents at beginning of the financial year	10,319,726	58,001,475	334,511	20,436,673
Effect of foreign translation differences	(6,623)	466,405	-	-
Cash and cash equivalents at the end of the financial year (Note 18)	6,722,222	10,319,726	75,596	334,511

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL ENDED 30 JUNE 2024

1. GENERAL INFORMATION

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

The principal activity of the Company is that of investment holding.

The information on the name, place of incorporation, effective interest and principal activities of each subsidiary is disclosed in Note 9.

The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Lot 7020, Batu 23, Jalan Air Hitam, 81000 Kulai, Johor Darul Takzim.

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance on 24 October 2024.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Adoption of amendments to MFRSs

During the financial year, the Group and the Company have adopted the following applicable amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:

Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

The adoption of these amendments to MFRSs did not have any significant impact on the financial statements of the Group and the Company except for:

Amendments to MFRS 101 and MFRS Practice Statement 2 Disclosure of Accounting Policies

The Group and the Company have adopted the amendments to MFRS 101 *Presentation of Financial Statements* and MFRS Practice Statement 2 *Materiality Practice Statement* for the first time in the current financial year. The amendments change the requirements in MFRS 101 *Presentation of Financial Statements* with regard to disclosure of accounting policies. The amendments replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Amendments to MFRS 101 *Presentation of Financial Statements* are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments have no effect on the measurement, recognition or presentation of any items in the Group’s and the Company’s financial statements but affect the disclosure of accounting policies.

Standard issued but not yet effective

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ¹
Amendments to MFRS 101	Non-current Liabilities with Covenants ¹
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements ¹
Amendments to MFRS 121	Lack of Exchangeability ²
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards - Volume 11 ³
MFRS 18	Presentation and Disclosure in Financial Statements ⁴
MFRS 19	Subsidiaries without Public Accountability: Disclosures ⁴
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵

¹ Effective dates for annual periods beginning on or after 1 January 2024.

² Effective dates for annual periods beginning on or after 1 January 2025.

³ Effective dates for annual periods beginning on or after 1 January 2026.

⁴ Effective dates for annual periods beginning on or after 1 January 2027.

⁵ Deferred to a date to be determined and announced by MASB.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**3. MATERIAL ACCOUNTING POLICY INFORMATION****(a) Basis of accounting**

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policy information below.

(b) Functional and presentation currency

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated. The Group's foreign operation is measured using its functional currency.

(c) Basis of consolidation**(i) Subsidiaries**

The Group applies the acquisition method to account for business combination from the acquisition date when the acquired set of activities meet the definition of a business and control is transferred to the Group. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquired and the equity interest issued by the Group in exchange for control of acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

(ii) Separate financial statements

In the Company's separate financial statements, investment in subsidiaries is measured at cost less accumulated impairment losses.

(d) Investment in an associate

Investment in an associate is accounted for in the consolidated financial statement of the Group using the equity method.

(e) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses except for freehold lands and buildings which are stated at revalued amount, being the fair value at the revaluation date, less accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

Freehold lands have an unlimited useful life and therefore is not depreciated. Capital work-in-progress is not depreciated until the asset is ready for use.

Valuation is performed with sufficient regularity, usually every three to five years, to ensure that the carrying amount does not differ materially from the fair value at the end of the reporting date.

Property, plant and equipment are depreciated on a straight-line method based on the estimated useful lives of the assets as follows:

Freehold buildings	50 years
Plant and machinery	3 to 15 years
Motor vehicles, office and other office equipment	3 to 5 years

(f) Investment properties

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses. Investment properties consist of leasehold land and building (which are not separable). Capital work-in-progress is not depreciated until the asset is ready for use.

Leasehold land and building are depreciated on a straight-line method over its useful lives for 50 years.

(g) Leases**(i) Lessee accounting**Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (those assets valued at less than RM20,000 each when purchased new). Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use ("ROU") assets

The ROU assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities losses except for leasehold land and building which are stated at revalued amount, being the fair value at the revaluation date, less accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

The Group's ROU assets consist of leasehold land, leasehold building, motor vehicles, office and other equipment are depreciated on a straight-line method over the shorter of the lease term and the estimated useful lives of the assets as follows:

Leasehold land	Over the remaining lease period
Leasehold building	50 years
Leased buildings, motor vehicles, office and other equipment	2 to 5 years

Lease liabilities

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

(ii) Lessor accounting

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included as "other income" in profit or loss.

(h) **Intangible asset**

Intangible asset is measured at cost less accumulated depreciation and any accumulated impairment losses. Intangible asset consists of computer software.

Computer software is depreciated on a straight-line method over its useful life for 5 years.

(i) **Inventories**

Inventories are stated at lower of cost or net realisable value. Cost is determined on weighted average method and comprise cost of purchase, production costs and other costs incurred in bringing it to their present location and condition.

(j) **Financial instruments**

Financial assets and liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial asset and financial liability at its fair value plus or less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss ("FVTPL") are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

(i) Financial assets

All recognised financial assets are measured subsequently in their entirety at their amortised cost or fair value, depending on the classification of the financial assets.

(a) Financial assets at amortised cost

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Any gain or loss on derecognition or modification are recognised in profit or loss.

(b) Financial assets at fair value through other comprehensive income ("FVOCI")

(i) Debt investments

Financial assets that meet the following conditions are measured subsequently at FVOCI:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Equity instruments

On initial recognition of an investment in equity instruments that is neither held for trading nor contingent consideration, the Group and the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

(c) Financial assets at fair value through profit or loss ("FVTPL")

All financial assets not classified as measured at amortised cost or FVOCI, as described above are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gain or losses recognised in profit or loss.

All financial assets, except for those measured at FVTPL and equity instrument measured at FVOCI, are subject to impairment.

Regular way purchase or sale of financial assets

Regular way purchase or sale are purchase or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchase or sale of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the financial asset.

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to receive cash flows from the financial asset expired or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial assets and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

(ii) Financial liabilities

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss. Financial liabilities are classified at FVTPL if it is classified as held for trading, it is a derivative, it is contingent consideration of an acquirer in a business combination or it is designated at such on initial recognition.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)Derecognition

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

(k) Contract assets

A contract asset is recognised when the Group's right to consideration for work completed on made-to-order tiles but not yet billed at the reporting date. The amount will be billed upon delivery of goods. Contract assets are subject to impairment.

(l) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets, deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the Group make assumptions underlying the cash flows projection and is discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount.

(m) Impairment of financial assets

The Group and the Company recognise an allowance for expected credit loss ("ECL") on financial assets measured at amortised cost and contract assets. ECL are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime ECL, except for debt instruments that are determined to have low credit risk at the reporting date, cash and bank balances and other debt instruments for which credit risk has not increased significantly since initial recognition, which are measured at 12-months ECL. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the asset, while 12-months ECL are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the ECL on trade receivables using a provision matrix with reference to historical credit loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic condition are reviewed regularly.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery of amounts due.

(n) Revenue and other income recognition

(i) Revenue from contracts with customers

(a) Sales of tiles

Revenue from sales of tiles is recognised at a point in time when control of the goods is transferred to the customer, generally at the point the goods are delivered to the customers. Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

(b) Sales of made-to-order tiles

The Group contract with the customers for sales of made-to-order tiles. Revenue from sales of made-to-order tiles is recognised overtime as costs are incurred. These contracts would meet the no alternative use and the Group has rights to payment for work performed.

(ii) Interest income

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity, when it is determined that such income will be accrued to the Group and the Company.

(iii) Dividend income

Dividend income is recognised when the Group's rights to receive payment is established.

(o) **Statements of cash flows**

The Group and the Company adopt the indirect method in the preparation of the statements of cash flow.

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash and bank balances and exclude pledged deposits with licensed banks and fixed deposits with maturity more than 3 months.

4. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period.

(a) Critical judgements in applying the Group's and the Company's accounting policies

Management is of the opinion that there are no instances of application of judgements that are expected to have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**(b) 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 reporting period are set out below:

Impairment of property, plant and equipment

The Group assesses whether there is any indication that property, plant and equipment are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is estimated by using the value-in-use ("VIU") method. The VIU calculation requires significant judgement and is dependent on certain key assumptions. Due to the subjectivity involved in these assumptions, there is an inherent degree of estimation uncertainty. Changes to any of these assumptions would affect the amount of impairment.

The carrying amount of the Group's property, plant and equipment at the reporting date is disclosed in Note 5.

Net realisable value of inventories

Inventories are measured at the lower of cost and net realisable value. The finished goods primarily consist of ceramic and homogeneous tiles, featuring a diverse range of designs. However, certain finished goods have been identified as having quality issues, being slow-moving, or being outdated in terms of design. The realisation of these inventories may be subject to fluctuations and changing consumer preferences.

The management reassess the net realisable value of inventories in each subsequent period. For identified inventories for which the carrying amount is higher than its net realisable value, the management writes down these inventories to its net realisable value.

The carrying amount of the Group's inventories at the reporting date is disclosed in Note 13.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)Revaluation of property, plant and equipment and right-of-use assets

The Group measures their land and buildings at revalued amount with changes in fair value being recognised in other comprehensive income. The Group engages an independent professional valuer to estimate the fair value.

The carrying amounts of the land and buildings at the reporting date and the relevant revaluation basis are disclosed in Notes 5 and 7 respectively.

Useful lives of property, plant and equipment and right-of-use (“ROU”) assets

The Group and the Company regularly review the estimated useful lives of property, plant and equipment and ROU assets based on the expected utility of the assets to the Group and the Company. Actual results, however, may vary due to change in the expected level of usage and technological developments, which may result in an adjustment to the Group's and the Company's assets.

The management expects that the expected useful lives of property, plant and equipment and ROU assets would not have material difference from the management's estimation, hence, it would not result in material variance in the Group's and the Company's profit or loss.

The carrying amount of the Group's and the Company's property, plant and equipment and ROU assets at the reporting date are disclosed in Notes 5 and 7 respectively.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Valuation		Cost			Total RM
		Freehold lands RM	Freehold buildings RM	Plant and machinery RM	Motor vehicles, office and other office equipment RM	Capital work- in-progress RM	
Group							
At 1 July 2023		52,343,691	75,054,443	191,026,036	12,260,970	10,561,200	341,246,340
Additions		-	7,500	98,415	150,408	7,730,443	7,986,766
Disposals		-	-	-	(1,250)	-	(1,250)
Elimination of accumulated depreciation on revaluation		-	(9,860,736)	-	-	-	(9,860,736)
Revaluation		18,255,808	(1,047,907)	-	-	-	17,207,901
Transfers		-	16,561,200	198,572	15,407	(16,775,179)	-
Transfers to assets held for sale	19	(453,500)	(356,500)	-	-	-	(810,000)
Written off		-	-	(786,957)	(23,553)	-	(810,510)
Exchange differences		-	-	-	40,280	-	40,280
At 30 June 2024		70,145,999	80,358,000	190,536,066	12,442,262	1,516,464	354,998,791
Accumulated depreciation							
As at 1 Jul 2023		-	6,931,406	142,688,882	8,374,332	-	157,994,620
Charge for the financial year		-	2,974,670	4,778,680	570,395	-	8,323,745
Disposals		-	-	-	(1,249)	-	(1,249)
Elimination of accumulated depreciation on revaluation		-	(9,860,736)	-	-	-	(9,860,736)
Transfers to assets held for sale	19	-	(45,340)	-	-	-	(45,340)
Written off		-	-	(783,884)	(23,545)	-	(807,429)
Exchange differences		-	-	-	10,410	-	10,410
At 30 June 2024		-	-	146,683,678	8,930,343	-	155,614,021
Accumulated impairment losses							
At 1 July 2023/30 June 2024		-	-	5,590,733	-	-	5,590,733
Net carrying amount							
At 30 June 2024		70,145,999	80,358,000	38,261,655	3,511,919	1,516,464	193,794,037

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	Valuation		Cost				
	Freehold lands RM	Freehold buildings RM	Plant and machinery RM	Motor vehicles, office and other equipment RM	Capital work-in-progress RM	Total RM	
Group							
At 1 July 2022	52,343,691	75,244,366	160,730,343	11,324,571	27,668,496	327,311,467	
Additions	-	60,600	1,632,482	1,542,417	12,297,971	15,533,470	
Disposals	-	-	(2,875)	(1,045)	-	(3,920)	
Transfers	-	-	29,405,267	-	(29,405,267)	-	
Written off	-	(250,523)	(739,181)	(764,378)	-	(1,754,082)	
Exchange differences	-	-	-	159,405	-	159,405	
At 30 June 2023	52,343,691	75,054,443	191,026,036	12,260,970	10,561,200	341,246,340	
Accumulated depreciation							
At 1 July 2022	-	4,201,212	139,452,085	7,805,254	-	151,458,551	
Charge for the financial year	-	2,810,517	3,971,373	858,743	-	7,640,633	
Disposals	-	-	(2,874)	(1,044)	-	(3,918)	
Written off	-	(80,323)	(731,702)	(354,783)	-	(1,166,808)	
Exchange differences	-	-	-	66,162	-	66,162	
At 30 June 2023	-	6,931,406	142,688,882	8,374,332	-	157,994,620	
Accumulated impairment losses							
At 1 July 2022	-	-	-	-	-	-	
Recognised during the financial year	-	-	5,590,733	-	-	5,590,733	
At 30 June 2023	-	-	5,590,733	-	-	5,590,733	
Net carrying amount							
At 30 June 2023	52,343,691	68,123,037	42,746,421	3,886,638	10,561,200	177,660,987	

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	Office equipment RM	Capital work- in-progress RM	Total RM
Company			
Cost			
At 1 July 2023	467,069	9,525,000	9,992,069
Disposals	-	(9,525,000)	(9,525,000)
At 30 June 2024	467,069	-	467,069
Accumulated depreciation			
At 1 July 2023	131,000	-	131,000
Charge for the financial year	82,737	-	82,737
At 30 June 2024	213,737	-	213,737
Net carrying amount			
At 30 June 2024	253,332	-	253,332
Cost			
At 1 July 2022	467,069	26,616,460	27,083,529
Additions	-	12,225,000	12,225,000
Disposals	-	(29,316,460)	(29,316,460)
At 30 June 2023	467,069	9,525,000	9,992,069
Accumulated depreciation			
At 1 July 2022	48,263	-	48,263
Charge for the financial year	82,737	-	82,737
At 30 June 2023	131,000	-	131,000
Net carrying amount			
At 30 June 2023	336,069	9,525,000	9,861,069

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

(a) Revaluation of freehold lands and buildings

The freehold lands and buildings have been revalued in June 2024. The fair value of freehold lands and buildings was determined within Level 2 fair value hierarchy based on the valuations performed by independent professional valuer using the market comparison approach and the replacement cost approach.

If the freehold lands and buildings were measured at cost model, the carrying amount would be as follows:

	Group	
	2024 RM	2023 RM
Freehold lands	15,345,052	15,424,801
Freehold buildings	<u>23,771,157</u>	<u>10,256,235</u>
	<u>39,116,209</u>	<u>25,681,036</u>

(b) Remaining useful life of freehold buildings

The remaining useful life of freehold buildings ranges from 17 to 40 (2023: 18 to 41) years.

(c) Fully depreciated property, plant and equipment

The gross carrying amounts of fully depreciated property, plant and equipment that are still in use at the reporting date were RM137,629,281 (2023: RM132,159,542) for the Group.

(d) Capital work-in-progress

Capital work-in-progress refers to the feature enhancement cost directly attributable to the development of the Group's plant and machinery. These are still in progress as at the reporting date and depreciation will be charged when it is ready for its intended use.

(e) Reconciliation to the statements of cash flows for:

(i) Additions of property, plant and equipment is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Additions	7,986,766	15,533,470	-	12,225,000
Cash outflows	<u>(7,986,766)</u>	<u>(29,928,984)</u>	<u>-</u>	<u>(26,620,514)</u>
Contra against other payables	<u>-</u>	<u>(14,395,514)</u>	<u>-</u>	<u>(14,395,514)</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

(ii) Disposals of property, plant and equipment is as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Consideration on disposal	30	100	9,525,000	29,316,460
Amount due from subsidiaries	-	-	(9,525,000)	(29,316,460)
Proceeds from disposal received	30	100	-	-

(f) Assets pledged as securities

Freehold land and building of the Group amounting to RM47,004,000 (2023: RM40,752,952) has been pledged to secure banking facilities granted to a subsidiary.

(g) Impairment review of property, plant and equipment

The management had performed an impairment review on its recoverable amount of property, plant and equipment in a subsidiary of which had incurred losses during the reporting period. The recoverable amount was determined from a value-in-use calculation by discounting cash flows projection using a pre-tax discount of 12% (2023: 13%).

Based on the impairment assessment, the recoverable amount of the plant and equipment was lower than the carrying amount, hence, the Group recognised an impairment loss of RMNil (2023: RM5,590,733) in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

6. INVESTMENT PROPERTIES

	Leasehold land and buildings RM	Capital work- in-progress RM	Total RM
Group			
Cost			
At 1 July 2023	15,079,184	9,308,742	24,387,926
Additions	1,826,494	38,973	1,865,467
Transfers	9,347,715	(9,347,715)	-
At 30 June 2024	26,253,393	-	26,253,393
Accumulated depreciation			
At 1 July 2023	296,684	-	296,684
Charge for the financial year	338,214	-	338,214
At 30 June 2024	634,898	-	634,898
Accumulated impairment losses			
As at 1 July 2023	-	-	-
Recognised during the financial year	347,715	-	347,715
As at 30 June 2024	347,715	-	347,715
Net carrying amount			
At 30 June 2024	25,270,780	-	25,270,780
Cost			
At 1 July 2022	-	15,079,184	15,079,184
Additions	-	9,308,742	9,308,742
Transfers	15,079,184	(15,079,184)	-
At 30 June 2023	15,079,184	9,308,742	24,387,926
Accumulated depreciation			
At 1 July 2022	-	-	-
Charge for the financial year	296,684	-	296,684
At 30 June 2023	296,684	-	296,684
Net carrying amount			
At 30 June 2023	14,782,500	9,308,742	24,091,242

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

(a) Fair value basis of investment properties

The fair value of the investment properties of the Group has been arrived at on the basis of the directors' best estimates, by reference to valuations performed by an independent valuer or market evidence of transacted prices for the same or similar properties. The fair value of the investment properties of the Group's investment properties was determined within Level 2 fair value hierarchy.

	Group	
	2024	2023
	RM	RM
Fair value	<u>26,644,000</u>	<u>16,805,300</u>

(b) Lease term of the investment properties

The remaining lease term of the investment properties ranges from 66 to 84 (2023: 67 to 85) years.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

7. RIGHT-OF-USE ASSETS

	← Valuation →		Cost Leased buildings, motor vehicles, office and other equipment	
	Leasehold land RM	Leasehold building RM	RM	Total RM
Group				
At 1 July 2023	275,120	374,880	7,259,407	7,909,407
Additions	-	-	545,740	545,740
Early termination of lease contracts	-	-	(208,864)	(208,864)
Expiration of lease contracts	-	-	(788,363)	(788,363)
Modification of lease contracts	-	-	(73,177)	(73,177)
Revaluation	(23,796)	107,922	-	84,126
Elimination of accumulated depreciation on revaluation	(11,324)	(32,802)	-	(44,126)
Exchange differences	-	-	3,489	3,489
At 30 June 2024	240,000	450,000	6,738,232	7,428,232
Accumulated depreciation				
At 1 July 2023	8,089	23,430	3,384,730	3,416,249
Charge for the financial year	3,235	9,372	1,566,377	1,578,984
Early termination of lease contracts	-	-	(70,448)	(70,448)
Expiration of lease contracts	-	-	(788,363)	(788,363)
Elimination of accumulated depreciation on revaluation	(11,324)	(32,802)	-	(44,126)
Exchange differences	-	-	3,177	3,177
At 30 June 2024	-	-	4,095,473	4,095,473
Net carrying amount				
At 30 June 2024	240,000	450,000	2,642,759	3,332,759

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	← Valuation →		Cost	
	Leasehold	Leasehold	Leased	
	land	building	buildings,	
	RM	RM	motor	
			vehicles,	
			office and	
			equipment	Total
			RM	RM
Group				
At 1 July 2022	275,120	374,880	7,410,565	8,060,565
Additions	-	-	456,074	456,074
Early termination of lease contracts	-	-	(291,449)	(291,449)
Expiration of lease contracts	-	-	(192,904)	(192,904)
Modification of lease contracts	-	-	(146,038)	(146,038)
Exchange differences			23,159	23,159
At 30 June 2023	275,120	374,880	7,259,407	7,909,407
Accumulated depreciation				
At 1 July 2022	4,853	14,058	2,071,392	2,090,303
Charge for the financial year	3,236	9,372	1,693,546	1,706,154
Early termination of lease contracts	-	-	(204,014)	(204,014)
Expiration of lease contracts	-	-	(192,904)	(192,904)
Exchange differences	-	-	16,710	16,710
At 30 June 2023	8,089	23,430	3,384,730	3,416,249
Net carrying amount				
At 30 June 2023	267,031	351,450	3,874,677	4,493,158

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	Office	
	2024 RM	2023 RM
Company		
Cost		
At 1 July 2023/2022	1,957,236	2,005,050
Modification of lease liabilities	<u>105,199</u>	<u>(47,814)</u>
At 30 June	<u>2,062,435</u>	<u>1,957,236</u>
Accumulated depreciation		
At 1 July 2023/2022	642,210	278,479
Charge for the financial year	<u>347,810</u>	<u>363,731</u>
At 30 June	<u>990,020</u>	<u>642,210</u>
Net carrying amount		
At 30 June	<u>1,072,415</u>	<u>1,315,026</u>

The Group's and the Company's lease buildings, office and other equipment from various owners. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

(a) Amount recognised in statements of profit or loss and other comprehensive income:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Depreciation of right-of-use assets (Note 29)	1,578,984	1,706,154	347,810	363,731
Interest expense on lease liabilities (Note 29)	<u>201,825</u>	<u>259,948</u>	<u>73,420</u>	<u>92,294</u>

(b) Additions of right-of-use assets during the financial year are financed by:

	Group	
	2024 RM	2023 RM
Total additions of right-of-use assets	545,740	456,074
Less: Additions by lease arrangements	<u>(545,740)</u>	<u>(456,074)</u>
	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

(c) Revaluation of leasehold land and building

The leasehold land and building have been revalued in June 2024. The fair value of leasehold land and buildings was determined within Level 2 fair value hierarchy based on the valuations performed by independent professional valuer using the market comparison approach.

If the leasehold land and building were measured at cost model, the carrying amount would be as follows:

	Group	
	2024 RM	2023 RM
Leasehold land	126,650	129,885
Leasehold building	203,263	212,635
	<u>329,913</u>	<u>342,520</u>

(d) Held in trust

Included in the net carrying amount of the Group's right-of-use assets is held in trust by a director of the Company as follows:

	Group	
	2024 RM	2023 RM
Motor vehicle	<u>421,885</u>	<u>719,684</u>

(e) Lease term of the leasehold land

The remaining lease term of the leasehold land is 81 (2023: 82) years.

(f) Assets pledged as securities

Included in the motor vehicles of the Group amounting to RM776,922 (2023: RM1,314,669) under lease arrangement.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

8. INTANGIBLE ASSET

	Computer software	
	2024	2023
	RM	RM
Group		
Cost		
At 1 July 2023/2022 and 30 June	<u>1,825,200</u>	<u>1,825,200</u>
Accumulated amortisation		
At 1 July 2023/2022	943,019	577,980
Charge for the financial year	<u>365,040</u>	<u>365,039</u>
At 30 June	<u>1,308,059</u>	<u>943,019</u>
Net carrying amount		
At 30 June	<u>517,141</u>	<u>882,181</u>

9. INVESTMENT IN SUBSIDIARIES

	Company	
	2024	2023
	RM	RM
In Malaysia		
Unquoted shares, at cost	149,328,882	149,328,882
Less: Accumulated impairment losses	<u>(5,743,659)</u>	<u>-</u>
	<u>143,585,223</u>	<u>149,328,882</u>
Outside Malaysia		
Unquoted shares, at cost	<u>1,987,331</u>	<u>1,987,331</u>
	<u>145,572,554</u>	<u>151,316,213</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

Details of the subsidiaries are as follows:

Name of the company	Place of incorporation	Effective interest		Principal activities
		2024 %	2023 %	
Direct Holding				
Yi-Lai Industry Berhad (“YLI”)	Malaysia	100	100	Manufacture and sale of ceramic and homogenous tiles
Yi-Lai Marketing Sdn. Bhd. (“YLM”)	Malaysia	100	100	Trading and distribution of tiles
Yi-Lai Trading Pte Ltd (“YLT”) *	Singapore	100	100	Trading and distribution of tiles
YB Technologies Sdn. Bhd. (“YBT”)	Malaysia	100	100	Investment holding
YB Advance Sdn. Bhd. (“YB Adv”)	Malaysia	100	100	Operation of generation facilities that produce electric energy
YB Alliance Sdn. Bhd. (“YB All”)	Malaysia	100	100	Wholesale of a variety of goods without any particular specialisation n.e.c
YB Pro Builders Sdn. Bhd. (“YB Pro”)	Malaysia	100	100	Construction of buildings n.e.c
Indirect Holding				
<i>Held through YB Advance Sdn. Bhd.</i>				
YB Renewable Energy Sdn. Bhd. (“YB Ren”)	Malaysia	100	100	Operation of generation facilities that produce electric energy
<i>Held through YB Pro Builders Sdn. Bhd.</i>				
Blissful Concept Sdn. Bhd. (“BCSB”)	Malaysia	100	100	Buying, selling, renting and operating of self-owned or leased real estate
Pinky Pie Sdn. Bhd. (“PPSB”)	Malaysia	100	100	Trading of building materials

* Not audited by Morison LC PLT

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

(a) Additions of investment in subsidiaries

In previous financial year

- (i) On 30 May 2023, the Company further subscribed for additional 29,800,000 ordinary shares in Yi-Lai Industry Berhad ("YLI") by way of capitalising the amount due from subsidiaries.
- (ii) On 30 May 2023, the Company further subscribed for additional 7,995,000 ordinary shares in Yi-Lai Marketing Sdn. Bhd. ("YLM") by way of capitalising the amount due from subsidiaries.

As a result, YLI and YLM remain as wholly owned subsidiaries of the Company.

(b) Impairment assessment of the carrying amount of investment in subsidiaries

In current financial year

The Company reviews the impairment assessment on the carrying amount of the investment in subsidiaries when there is an indication of impairment. The recoverable amounts of the investment in subsidiaries are assessed by reference to their fair value less cost to sell, which approximate the net assets of subsidiaries at the end of the reporting period.

An impairment loss of RM5,743,659 was recognised for investment in subsidiaries.

10. INVESTMENT IN AN ASSOCIATE

	Group	
	2024 RM	2023 RM
In Malaysia		
Unquoted shares, at cost	9,500,000	9,500,000
Share of post-acquisition reserves	(5,025,711)	(307,759)
	<u>4,474,289</u>	<u>9,192,241</u>

Details of the associate are as follows:

Name of company	Place of incorporation	Effective interest		Principal activities
		2024 %	2023 %	
TechBase System Sdn. Bhd. ("TBS") *	Malaysia	49	49	Other information technologies service activities

* Not audited by Morison LC PLT

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

The summarised financial information of the Group's material associate is set out below:

(i) Summarised statement of financial position

	2024 RM	2023 RM
Non-current assets	6,517,898	17,361,080
Current assets	2,680,395	1,457,411
Current liabilities	<u>(67,091)</u>	<u>(58,815)</u>
Net assets	<u>9,131,202</u>	<u>18,759,676</u>
Interest in associate	49%	49%
Group's share of net assets	<u>4,474,289</u>	<u>9,192,241</u>

(ii) Summarised statement profit or loss and other comprehensive income

	2024 RM	2023 RM
Revenue	<u>760,712</u>	<u>2,272,106</u>
Loss for the financial year, representing total comprehensive loss for the financial year	<u>(9,628,474)</u>	<u>(1,442,177)</u>
Group's share of results for the financial year	<u>(4,717,952)</u>	<u>(706,667)</u>

(iii) Summarised statement of cash flows

	2024 RM	2023 RM
Net cash used in operating activities	(417,902)	(224,319)
Net cash (used in)/generated from investing activities	<u>(32,258)</u>	<u>411,233</u>
Net changes in cash and cash equivalents	<u>(450,160)</u>	<u>186,914</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

11. OTHER INVESTMENTS

		Group	
	Note	2024 RM	2023 RM
Non-current			
Financial assets at fair value through other comprehensive income			
Investment in quoted shares	(a)	<u>28,001,047</u>	<u>19,561,360</u>
Current			
Financial assets at fair value through profit or loss			
Investment in quoted shares	(b)	<u>10,263,713</u>	<u>46,889,411</u>

- (a) The Group designated the following investments as equity instruments at fair value through other comprehensive income because these are investments that the Group intends to hold for long-term strategic purpose.

The fair value of investment in quoted shares was determined within Level 1 fair value hierarchy by reference to the quoted prices in an active market.

- (b) The fair value of the investment in quoted shares intended to hold for trading was determined within Level 1 fair value hierarchy by reference to the quoted prices in an active market.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

12. DEFERRED TAX ASSETS/(LIABILITIES)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax assets					
At 1 July					
2023/2022		64,870	953,631	42,534	51,770
Recognised in profit or loss	30	(13,317)	(888,761)	(9,757)	(9,236)
At 30 June		<u>51,553</u>	<u>64,870</u>	<u>32,777</u>	<u>42,534</u>
Deferred tax liabilities					
At 1 July					
2023/2022		10,224,827	17,125,137	-	-
Recognised in profit or loss	30	7,923,429	(6,902,129)	-	-
Recognised in other comprehensive income		1,578,405	-	-	-
Exchange differences		<u>344</u>	<u>1,819</u>	<u>-</u>	<u>-</u>
At 30 June		<u>19,727,005</u>	<u>10,224,827</u>	<u>-</u>	<u>-</u>

The component of deferred tax assets are attributable to the following:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Inventories	18,776	22,336	-	-
Trade receivables	-	1,553	-	-
Unutilised reinvestment allowances	369,773	369,773	-	-
Unutilised tax losses	9,674,374	6,775,861	-	-
Unabsorbed capital allowances	-	277,681	-	-
Lease liabilities	109,425	261,579	-	-
ICULS	<u>32,777</u>	<u>42,534</u>	<u>32,777</u>	<u>42,534</u>
	10,205,125	7,751,317	32,777	42,534
Offsetting	<u>(10,153,572)</u>	<u>(7,686,447)</u>	<u>-</u>	<u>-</u>
	<u>51,553</u>	<u>64,870</u>	<u>32,777</u>	<u>42,534</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

The component of deferred tax liabilities are attributable to the following:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Property, plant and equipment	(29,609,191)	(17,508,140)	-	-
Right-of-use assets	(271,386)	(403,134)	-	-
	(29,880,577)	(17,911,274)	-	-
Offsetting	10,153,572	7,686,447	-	-
	(19,727,005)	(10,224,827)	-	-

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Unutilised tax losses	4,686,502	3,033,246	-	-
Unabsorbed capital allowances	497,443	361,112	-	-
Trade receivables	201,154	155,073	-	-
Lease liabilities	73,487	15,051	21,130	8,925
	5,458,586	3,564,482	21,130	8,925

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient future taxable profits to be used to offset.

The unabsorbed capital allowances and other temporary differences do not expire under current tax legislation.

The unutilised tax losses can be carried forward until the following years of assessment.

	Group	
	2024	2023
	RM	RM
Unutilised tax losses to be carried forward until:		
- Year of assessment 2028	2,244,426	2,244,426
- Year of assessment 2029	4,538,122	4,538,122
- Year of assessment 2030	813,726	813,726
- Year of assessment 2031	2,225,709	2,225,709
- Year of assessment 2032	2,181,304	2,181,304
- Year of assessment 2033	24,204,782	24,204,782
- Year of assessment 2034	23,628,914	-
	59,836,983	36,208,069

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

13. INVENTORIES

	Group	
	2024	2023
	RM	RM
At cost		
Raw materials	4,582,304	5,992,080
Work-in-progress	2,425,079	3,499,799
Finished goods	20,685,829	14,697,619
Consumables	9,056,871	9,474,425
	<u>36,750,083</u>	<u>33,663,923</u>
At net realisable value		
Finished goods	<u>5,101,381</u>	<u>18,417,941</u>
	<u>41,851,464</u>	<u>52,081,864</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	74,079,558	81,179,018
Inventories written down	2,067,652	4,538,574
Inventories written off	<u>1,267</u>	<u>-</u>
	<u>76,148,477</u>	<u>85,717,592</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

14. TRADE RECEIVABLES

	Group	
	2024 RM	2023 RM
Trade receivables	17,572,225	17,115,895
Less: Accumulated impairment losses	(1,150,714)	(961,550)
	<u>16,421,511</u>	<u>16,154,345</u>

Trade receivables of the Group are generally on 30 to 60 days (2023: 30 to 60 days) terms. Other credit terms are determined on a case to case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition. Trade receivables amounting to RM11,512,484 (2023: RM12,561,062) of the Group are secured by financial guarantees given by banks, shareholders or directors of the customers.

Movements in the allowance for impairment losses are as follows:

	Lifetime allowance		
	Collectively assessed RM	Individually assessed RM	Total RM
Group			
At 1 July 2023	336,999	624,551	961,550
Impairment loss recognised	92,441	99,563	192,004
Reversal of impairment losses	(6,471)	-	(6,471)
Transfers	(312,574)	312,574	-
Exchange differences	3,631	-	3,631
At 30 June 2024	<u>114,026</u>	<u>1,036,688</u>	<u>1,150,714</u>
At 1 July 2022	310,833	793,732	1,104,565
Impairment loss recognised	40,493	-	40,493
Reversal of impairment losses	(54,049)	(169,181)	(223,230)
Exchange differences	39,722	-	39,722
At 30 June 2023	<u>336,999</u>	<u>624,551</u>	<u>961,550</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

The aged analysis of trade receivables as at the end of the reporting period are as follows:

		Allowance for impairment losses		
	Gross carrying amount RM	ECL (Collectively assessed) RM	ECL (Individually assessed) RM	Net balance RM
Group				
2024				
Current (not past due)	4,743,398	(2,931)	-	4,740,467
Past due:				
1 - 30 days	5,436,708	(6,365)	-	5,430,343
31 - 60 days	3,364,520	(36,363)	-	3,328,157
61 - 90 days	2,750,839	(51,410)	-	2,699,429
More than 90 days	240,072	(16,957)	-	223,115
	11,792,139	(111,095)	-	11,681,044
Individually impaired	1,036,688	-	(1,036,688)	-
	<u>17,572,225</u>	<u>(114,026)</u>	<u>(1,036,688)</u>	<u>16,421,511</u>
2023				
Current (not past due)	5,675,382	(8,894)	-	5,666,488
Past due:				
1 - 30 days	5,899,459	(11,775)	-	5,887,684
31 - 60 days	2,558,788	(4,514)	-	2,554,274
61 - 90 days	1,757,835	(3,430)	-	1,754,405
More than 90 days	599,880	(308,386)	-	291,494
	10,815,962	(328,105)	-	10,487,857
Individually impaired	624,551	-	(624,551)	-
	<u>17,115,895</u>	<u>(336,999)</u>	<u>(624,551)</u>	<u>16,154,345</u>

Trade receivables that are not past due nor impaired are creditworthy receivables with good payment records with the Group.

As at the end of reporting period, trade receivables of the Group of RM11,681,044 (2023: RM10,487,857) were past due but not impaired. Based on past experience and no adverse information to date, the directors of the Company are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM1,036,688 (2023: RM624,551), relates to customers that are in financial difficulties or have defaulted on payments.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

15. OTHER RECEIVABLES

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables		64,520	113,838	-	-
Deposits		625,422	614,764	222,195	213,068
Prepayments	(a)	1,369,119	1,472,824	72,408	52,059
Advance payments to suppliers		1,714,516	-	-	-
		<u>3,773,577</u>	<u>2,201,426</u>	<u>294,603</u>	<u>265,127</u>

- (a) An amount of RM1,007,818 (2023: RM1,035,568) included in the Group's prepayments relating to the feature enhancement cost directly attributable to the development of the Group's software system and levy paid for the application of foreign workers' permit.

16. CONTRACT ASSETS

The contract assets primarily relate to the Group's rights to consideration for work completed on made-to-order tiles but not yet billed at the reporting date. Typically, the amount will be billed upon delivery and payment is expected within 60 days.

The movement of contract assets are as follow:

	Group	
	2024 RM	2023 RM
At 1 July 2023/2022	3,061,944	7,514,583
Billings issued	(14,933,433)	(20,719,353)
Recognised as revenue	<u>15,557,895</u>	<u>16,266,714</u>
At 30 June	<u>3,686,406</u>	<u>3,061,944</u>

17. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

The amounts due from/(to) subsidiaries are unsecured, interest bearing at 3% (2023: 3%) per annum, non-trade in nature and receivable/repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

18. CASH AND BANK BALANCES

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances		5,513,597	9,534,445	75,596	334,511
Fixed deposits with licensed banks	(a)	<u>4,898,680</u>	<u>6,207,293</u>	<u>-</u>	<u>-</u>
Total cash and bank balances		10,412,277	15,741,738	75,596	334,511
Less: Fixed deposits pledged to licensed banks		(2,088,918)	(4,920,883)	-	-
Less: Fixed deposits maturity more than 3 months		<u>(1,601,137)</u>	<u>(501,129)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents		<u>6,722,222</u>	<u>10,319,726</u>	<u>75,596</u>	<u>334,511</u>

- (a) The interest rates and maturities of fixed deposits of the Group at the reporting date ranges from 2.30% to 3.00% (2023: 1.85% to 2.65%) per annum and 1 to 365 days (2023: 1 to 365 days) respectively.

Fixed deposits with licensed banks of the Group amounting to RM2,088,918 (2023: RM4,920,883) are pledged to licensed banks for credit facilities granted to subsidiaries.

19. ASSETS HELD FOR SALE

		Group	
	Note	2024 RM	2023 RM
At 1 July 2023/2022		-	-
Transfer from plant, property and equipment	5	<u>764,660</u>	<u>-</u>
At 30 June		<u>764,660</u>	<u>-</u>

On 3 July 2024, the Board of Directors has approved to dispose two freehold lands and buildings. The Group entered into the Sale and Purchase Agreement on 3 July 2024 and 25 July 2024, with the purchasers, for a total consideration of RM530,000 and RM320,000 respectively. These transactions are not completed as at the date of report.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

20. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2024 Units	2023 Units	2024 RM	2023 RM
Issued and fully paid ordinary shares				
At 1 July 2023/2022	291,311,170	291,311,170	110,754,174	110,754,174
Issuance of new shares pursuant to conversion of ICULS	79,166	-	38,039	-
At 30 June	291,390,336	291,311,170	110,792,213	110,754,174

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

(a) In current financial year

The Company increased its issued and paid up share capital through the issuance of 79,166 new ordinary shares pursuant to the conversion of RM0.04 nominal value of irredeemable convertible unsecured loan stock ("ICULS") at RM0.48 per ordinary share.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

(b) Warrants

Warrants 2022/2025

On 28 September 2022, the Company listed 145,250,984 units of free warrants on the basis of 1 warrant for every 2 existing ordinary shares of the Company.

The movement of warrants during the financial year ended are stated as below:

	Number of Warrants		
	At 01.07.2023	Issued	At 30.06.2024
Warrants 2022/2025	145,250,984	-	145,250,984
	At 01.07.2022	Issued	At 30.06.2023
Warrants 2022/2025	-	145,250,984	145,250,984

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

The salient features of the Warrants 2022/2025 are as follows:

- (i) Each warrant will entitle the registered holders at any time prior to 25 September 2025 to subscribe for one (1) new ordinary share at RM0.37 each. The Warrants entitlement is subject to adjustments under the terms and conditions as set out in the Deed Poll dated 5 September 2022;
- (ii) The exercise period is three (3) years from the date of issuance until the maturity date. Upon the expiry of the exercise period, any unexercised rights will lapse and cease to be valid for any purposes; and
- (iii) The holders of the Warrants are not entitled to vote in any general meetings or to participate in any dividends, distribution and/or offer of securities in the Company until and unless such holders of the Warrants exercise their Warrants into new shares.

21. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS")

	RM		
Group and Company			
Nominal value of ICULS issued			48,361,672
Deferred tax assets			<u>49,540</u>
Equity component on initial recognition			<u>48,411,212</u>
	ICULS equity component RM	ICULS liability component RM	Total RM
Group and Company			
At 1 July 2023	48,136,481	177,226	48,313,707
Interest expense	-	7,757	7,757
Coupon payment	-	(48,252)	(48,252)
Conversion of ICULS	<u>(37,877)</u>	<u>(162)</u>	<u>(38,039)</u>
At 30 June 2024	<u>48,098,604</u>	<u>136,569</u>	<u>48,235,173</u>
At 1 July 2022	48,136,481	215,709	48,352,190
Interest expense	-	9,935	9,935
Coupon payment	<u>-</u>	<u>(48,418)</u>	<u>(48,418)</u>
At 30 June 2023	<u>48,136,481</u>	<u>177,226</u>	<u>48,313,707</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

On 11 August 2021, the Company had announced the renounceable right issue of up to RM48,523,305 nominal value of five (5)-year, 0.10%, ICULS at 100% of its nominal value of RM0.04 each ("Rights ICULS") on the basis of five (5) Rights ICULS for every one (1) existing ordinary share.

On 10 September 2021, 1,209,041,795 ICULS were issued pursuant to the Right Issue of ICULS at its nominal value of RM0.04 each amounting to RM48,361,672 nominal value of ICULS issued.

The fixed coupon rate of 0.10% per annum calculated on the nominal value of the ICULS is payable on annual basis in arrears from the date of issuance of the ICULS.

The ICULS has 5 years tenure commencing from issuance date and matures on the date immediately preceding the 5th anniversary of the issue date.

The ICULS holders are entitled to convert the ICULS into new ordinary shares of the Company during the 5 years tenure at a conversion price of RM0.48 for one (1) new ordinary share in the following manner:

- (i) surrender such number of RM0.04 nominal value of ICULS equivalent to the conversion price for one (1) new ordinary share; or
- (ii) surrender such number of RM0.04 nominal value of ICULS together with cash payment such that in aggregate it amounts to the conversion price subject to a minimum of one (1) ICULS and paying the difference between the aggregate value of the ICULS surrendered and the conversion price in cash for one (1) new ordinary share.

Any outstanding ICULS not converted into ordinary share at the maturity of the ICULS, will be compulsory converted into new ordinary shares.

At the reporting date, the total number of ICULS that remain outstanding were 1,206,378,387 (2023: 1,207,328,387).

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

22. RESERVES

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Distributable:					
Retaining earnings		47,814,604	100,197,911	12,346,367	19,488,449
Non-distributable:					
Treasury shares	(a)	(256,687)	(256,687)	(256,687)	(256,687)
Foreign currency translation reserve	(b)	4,539,852	4,489,280	-	-
Fair value reserve	(c)	(17,229,560)	(11,293,849)	-	-
Revaluation reserve	(d)	91,888,906	76,752,541	-	-
		<u>78,942,511</u>	<u>69,691,285</u>	<u>(256,687)</u>	<u>(256,687)</u>
		<u>126,757,115</u>	<u>169,889,196</u>	<u>12,089,680</u>	<u>19,231,762</u>

(a) Treasury shares

At the Annual General Meeting held on 29 November 2023, the shareholders of the Group and of the Company renewed their approval for the Company to repurchase its own shares. The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Group and of the Company and its shareholders.

At the reporting date, the Company held 808,166 (2023: 808,166) of the Company's shares as treasury shares. The number of outstanding ordinary shares in issue after the cancellation and set off was 290,582,170 (2023: 290,503,004).

(b) Foreign currency translation reserve

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

(c) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity and debt securities designated at fair value through other comprehensive until the assets are derecognised or impaired.

(d) Revaluation reserve

Revaluation reserve consists of surplus from revaluation of properties and is not available for distribution as dividends.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

23. LEASE LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 July 2023/2022	4,006,959	5,233,520	1,401,695	1,772,315
Additions	545,740	456,074	-	-
Early termination of lease contracts	(147,493)	(95,188)	-	-
Modification of lease contracts	(73,177)	(146,038)	105,199	(47,814)
Interest expenses	201,825	259,948	73,420	92,294
Payment of interest	(201,825)	(259,948)	(73,420)	(92,294)
Payment of principal	(1,340,177)	(1,454,481)	(324,440)	(322,806)
Exchange differences	154	13,072	-	-
	<u>2,992,006</u>	<u>4,006,959</u>	<u>1,182,454</u>	<u>1,401,695</u>
At 30 June	<u>2,992,006</u>	<u>4,006,959</u>	<u>1,182,454</u>	<u>1,401,695</u>

The Group's and the Company's total cash outflow for the lease amounted to RM1,542,002 and RM397,860 (2023: RM1,714,429 and RM415,100) respectively.

The maturity analysis of lease liabilities at the end of the reporting period:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Minimum lease liabilities repayments:				
Within 1 year	1,433,411	1,400,531	416,095	397,860
2 to 5 years	1,761,824	2,930,968	870,319	1,160,425
More than 5 years	32,497	71,534	-	-
	<u>3,227,732</u>	<u>4,403,033</u>	<u>1,286,414</u>	<u>1,558,285</u>
Less: Future finance charges	<u>(235,726)</u>	<u>(396,074)</u>	<u>(103,960)</u>	<u>(156,590)</u>
	<u>2,992,006</u>	<u>4,006,959</u>	<u>1,182,454</u>	<u>1,401,695</u>
Present value of minimum lease liabilities repayments:				
Within 1 year	1,303,605	1,217,415	361,050	330,263
2 to 5 years	1,656,598	2,721,203	821,404	1,071,432
More than 5 years	31,803	68,341	-	-
	<u>2,992,006</u>	<u>4,006,959</u>	<u>1,182,454</u>	<u>1,401,695</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Analysed as:				
Current	1,303,605	1,217,415	361,050	330,263
Non-current	1,688,401	2,789,544	821,404	1,071,432
	<u>2,992,006</u>	<u>4,006,959</u>	<u>1,182,454</u>	<u>1,401,695</u>

The effective interest rate of the lease liabilities of the Group and the Company is charged at rates ranges from 4.04% to 6.65% and 5.40% (2023: 4.04% to 6.40% and 5.40%) per annum respectively.

The Group and the Company lease certain office premises, hostels, warehouse and forklifts. The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases.

The expense relating to payments not included in the measurement of the lease liabilities of the Group is as follows:

	Group	
	2024	2023
	RM	RM
Short-term leases	<u>1,338,000</u>	<u>1,313,600</u>

24. **TRADE PAYABLES**

	Group	
	2024	2023
	RM	RM
Trade payables	3,374,228	2,988,818
Trade accruals	<u>1,388,996</u>	<u>-</u>
	<u>4,763,224</u>	<u>2,988,818</u>

The normal trade credit terms of the Group ranges from 30 to 90 days (2023: 30 to 90 days) depending on the terms of the contracts.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

25. OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables	2,990,779	2,812,637	94,306	4,384
Accrued expenses	2,686,836	2,851,685	157,356	152,481
Deposits received	14,000	154,852	-	-
	<u>5,691,615</u>	<u>5,819,174</u>	<u>251,662</u>	<u>156,865</u>

26. BANK BORROWINGS

	Group	
	2024 RM	2023 RM
Secured		
Bank borrowings	13,784,754	12,258,700
Banker acceptance	8,604,810	7,452,224
Receivables factoring	<u>2,123,801</u>	<u>1,039,816</u>
	<u>24,513,365</u>	<u>20,750,740</u>
Analysed as:		
Repayable within 12 months, shown under current liabilities	<u>24,513,365</u>	<u>20,750,740</u>

The above bank borrowings obtained from licensed banks are secured against a freehold land and building as disclosed in Note 5, fixed deposits as disclosed in Note 18 and corporate guarantee by the Company.

(a) The interest rates of the bank borrowings of the Group are as follows:

	Group	
	2024	2023
Secured		
Bank borrowings	4.85% - 7.85%	6.16% - 7.85%
Banker acceptance	3.63% - 6.92%	3.55% - 8.88%
Receivables factoring	<u>4.50% - 4.80%</u>	<u>4.50% - 4.80%</u>

27. AMOUNT DUE TO AN ASSOCIATE

In previous financial year, the amount due to an associate was unsecured, interest bearing at 3% per annum, non-trade in nature and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

28. REVENUE

	Group	
	2024 RM	2023 RM
Sales of tiles	50,660,766	50,536,953
Sales of made-to-order tiles	15,557,895	16,266,714
	<u>66,218,661</u>	<u>66,803,667</u>
Timing of revenue recognition:		
At a point in time	50,660,766	50,536,953
Over time	15,557,895	16,266,714
	<u>66,218,661</u>	<u>66,803,667</u>

29. LOSS BEFORE TAX

Loss before tax is arrived after charging/(crediting):

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration:				
- Statutory audit				
- Malaysia operations	204,000	181,000	52,000	39,000
- Overseas operation	27,122	25,728	-	-
- Non-audit services	5,000	15,000	5,000	15,000
Amortisation of intangible assets	365,040	365,039	-	-
Change in fair value of other investments	(91,917)	(23,575,008)	-	-
Depreciation of:				
- Property, plant and equipment	8,323,745	7,640,633	82,737	82,737
- Investment properties	338,214	296,684	-	-
- Right-of-use assets	1,578,984	1,706,154	347,810	363,731
Dividends income from other investments	(176,661)	(402,678)	-	-
Expenses relating to short-term leases	1,338,000	1,313,600	-	-
Gain on early termination of lease contracts	(9,077)	(7,753)	-	-

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
(Gain)/Loss on disposal of:				
- Property, plant and equipment	(29)	(98)	-	-
- Other investments at FVOCI	150,000	-	-	-
- Other investments at FVTPL	6,838,041	2,780,013	-	-
(Gain)/Loss on foreign exchange:				
- Realised	(84,811)	(42,597)	-	-
- Unrealised	27,507	(29,703)	-	-
Impairment losses on:				
- Property, plant and equipment	-	5,590,733	-	-
- Investment properties	347,715	-	-	-
- Investment in subsidiaries	-	-	5,743,659	-
- Trade receivables	192,004	40,493	-	-
- Amount due from subsidiaries	-	-	844,977	-
Interest expenses on:				
- ICULS	7,757	9,935	7,757	9,935
- Lease liabilities	201,825	259,948	73,420	92,294
- Bank borrowings	1,294,957	934,046	-	-
- Amount due to a subsidiary	-	-	4,270	-
- Amount due to an associate	591	789	-	-
Interest income on:				
- Amount due from subsidiaries	-	-	(590,259)	(364,730)
- Deposits with licensed financial institutions	(166,548)	(258,833)	(1,331)	(66,272)
Inventories written down	2,067,652	4,538,574	-	-
Rental income	(1,480)	(1,740)	-	-
Reversal of impairment loss on trade receivables	(6,471)	(223,230)	-	-

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Share of result of an associate	4,717,952	706,667	-	-
Staff costs (Note 31)	14,545,836	16,750,150	204,129	228,067
Written off of:				
- Property, plant and equipment	3,081	587,274	-	-
- Inventories	1,267	-	-	-

30. TAXATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax:				
Current year	-	41,102	-	-
Under/(Over) provision in previous years	22	(145,328)	-	(8,954)
	22	(104,226)	-	(8,954)
Deferred tax:				
Relating to origination and reversal of temporary differences	(4,566,525)	(5,031,486)	9,757	9,236
Under/(Over) provision in previous years	12,503,271	(981,882)	-	-
	7,936,746	(6,013,368)	9,757	9,236
	7,936,768	(6,117,594)	9,757	282

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax credit applicable to loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Loss before tax	<u>(41,573,344)</u>	<u>(25,375,986)</u>	<u>(7,132,325)</u>	<u>(746,042)</u>
At Malaysian statutory tax rate of 24% (2023: 24%)	(9,977,603)	(6,090,237)	(1,711,758)	(179,050)
Income not subject to tax	(1,744,217)	(5,702,228)	-	-
Expenses not deductible for tax purposes	5,269,144	3,895,611	1,709,310	189,909
Different tax rates in foreign jurisdictions	(7,953)	(25,693)	-	-
Deferred tax assets not recognised	1,894,104	2,933,786	12,205	-
Utilisation of deferred tax assets previously not recognised	-	(1,623)	-	(1,623)
Under/(Over) provision of income tax in previous years	22	(145,328)	-	(8,954)
Under/(Over) provision of deferred tax in previous year	<u>12,503,271</u>	<u>(981,882)</u>	<u>-</u>	<u>-</u>
	<u>7,936,768</u>	<u>(6,117,594)</u>	<u>9,757</u>	<u>282</u>

31. STAFF COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors' fee	291,710	443,067	204,129	228,067
Salaries, wages and others	12,967,009	14,913,129	-	-
Defined contribution plans	<u>1,287,117</u>	<u>1,393,954</u>	<u>-</u>	<u>-</u>
	<u>14,545,836</u>	<u>16,750,150</u>	<u>204,129</u>	<u>228,067</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

Included in staff costs is aggregate amount of remuneration received and receivable by the Directors of the Company during the financial year as below:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Directors' fee	291,710	433,067	204,129	228,067
Salaries, wages and others	60,000	-	-	-
Defined contribution plans	7,200	-	-	-
	<u>358,910</u>	<u>433,067</u>	<u>204,129</u>	<u>228,067</u>

32. LOSS PER SHARE

(a) Basic loss per share

The basic loss per share is calculated based on the consolidated loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2024	2023
	RM	RM
Loss attributable to owners of the Company	<u>(49,510,112)</u>	<u>(19,258,392)</u>
	Units	Units
Weighted average number of ordinary shares in issue		
Issued ordinary shares at 1 July 2023/2022	291,311,170	291,311,170
Effect of conversion of ICULS	<u>69,406</u>	<u>-</u>
Weighted average number of ordinary shares in issue at 30 June	<u>291,380,576</u>	<u>291,311,170</u>
Basic loss earnings per share (sen)	<u>(16.99)</u>	<u>(6.61)</u>

(b) Diluted loss per share

Diluted loss per share is calculated based on the adjusted consolidated loss for the financial year attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the financial year having been adjusted for the dilutive effects of all potential ordinary shares. Potential shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share.

The Warrants have no effect on the diluted loss per share as Warrants has a dilutive effect only when the average market price of ordinary share during the financial year exceeds the exercise price of the Warrants.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

Group	Note	At 01.07.2023 RM	Financing cash flows (i) RM	New lease liabilities (Note 23) RM	Other changes (ii) RM	At 30.06.2024 RM
ICULS liability component	21	177,226	(48,252)	-	7,595	136,569
Lease liabilities	23	4,006,959	(1,340,177)	545,740	(220,516)	2,992,006
Bank borrowings	26	20,750,740	3,766,260	-	(3,635)	24,513,365
Amount due to an associate	27	27,825	(27,825)	-	-	-
		<u>24,962,750</u>	<u>2,350,006</u>	<u>545,740</u>	<u>(216,556)</u>	<u>27,641,940</u>
		At 01.07.2022 RM	Financing cash flows (i) RM	New lease liabilities (Note 23) RM	Other changes (ii) RM	At 30.06.2023 RM
ICULS liability component	21	215,709	(48,418)	-	9,935	177,226
Lease liabilities	23	5,233,520	(1,454,481)	456,074	(228,154)	4,006,959
Bank borrowings	26	16,525,069	4,219,023	-	6,648	20,750,740
Amount due to an associate	27	27,036	-	-	789	27,825
		<u>22,001,334</u>	<u>2,716,124</u>	<u>456,074</u>	<u>(210,782)</u>	<u>24,962,750</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

Company	Note	At 01.07.2023 RM	Financing cash flows (i) RM	Other changes (ii) RM	At 30.06.2024 RM
ICULS liability component	21	177,226	(48,252)	7,595	136,569
Lease liabilities	23	1,401,695	(324,440)	105,199	1,182,454
Amount due to a subsidiary	17	-	400,000	4,270	404,270
		1,578,921	27,308	117,064	1,723,293

ICULS liability component	Note	At 01.07.2022 RM	Financing cash flows (i) RM	Other changes (ii) RM	At 30.06.2023 RM
Lease liabilities	21	215,709	(48,418)	9,935	177,226
	23	1,772,315	(322,806)	(47,814)	1,401,695
		1,988,024	(371,224)	(37,879)	1,578,921

(i) The financing cash flows represents the net amount of proceeds from or repayments of lease liabilities, bank borrowings and amount due to a subsidiary and associate in the statements of cash flows.

(ii) Other changes include the ICULS interest capitalised, conversion of ICULS, early termination of lease contracts, modification of lease contracts, interest expense, foreign currency exchange differences on lease liabilities and unrealised foreign exchange on bank borrowings.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**34. CAPITAL COMMITMENTS**

Capital expenditures not provided for in the financial statements are as follows:

	Group	
	2024	2023
	RM	RM
Authorised and contracted for:		
Intangible assets	<u>174,557</u>	<u>174,557</u>

35. RELATED PARTY DISCLOSURES**(a) Identifying related parties**

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

- (b) Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions between the Group and related parties are as follows:

	2024	2023
	RM	RM
Group		
<i>Transactions with an associate</i>		
Interest expense paid/payable	<u>(591)</u>	<u>(789)</u>
Company		
<i>Transactions with subsidiaries</i>		
Interest expense payable	(4,270)	-
Interest income received/receivable	590,259	364,730
Disposal of property, plant and equipment	<u>9,525,000</u>	<u>29,316,460</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

(c) Compensation of key management personnel

Remuneration of directors and key management personnel are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Directors' fee	291,710	433,067	204,129	228,067
Salaries, wages and others	60,000	-	-	-
Defined contribution plans	7,200	-	-	-
	<u>358,910</u>	<u>433,067</u>	<u>204,129</u>	<u>228,067</u>

36. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services provided, as follows:

Manufacturing and trading	Manufacture and sale of ceramic and homogenous tiles
Investment holding and dormant	Investment holding and dormant

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Segment assets

The total of segment assets is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Management. The total of segment assets is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is also included in the internal management reports provided to the Management.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

(a) Business segment

2024	Revenue				
External customers	66,218,661	-	-	-	66,218,661
Inter segment	35,326,570	-	-	(35,326,570)	-
Total revenue	101,545,231	-	-	(35,326,570)	66,218,661
Segment results					
Finance income	189,522	999,892		(846,205)	343,209
Finance costs	(1,489,942)	(861,393)		846,205	(1,505,130)
Depreciation and amortisation	(9,824,829)	(768,761)		(12,393)	(10,605,983)
Other non-cash item	(2,275,934)	(6,896,124)		-	(9,172,058)
Taxation	(7,923,429)	(9,779)		(3,560)	(7,936,768)
Share of results of an associate, net of tax	-	(4,717,952)		-	(4,717,952)
Segment loss before tax	(28,049,458)	(20,461,916)		6,938,030	(41,573,344)
Segment assets	317,013,892	228,519,678		(202,061,854)	343,471,716
Segment liabilities	78,147,056	30,067,526		(50,390,798)	57,823,784
Assets					
Capital expenditure	8,532,506	1,865,467		-	10,397,973

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

2023					
	Note	Manufacturing and trading RM	Investment holding and dormant RM	Adjustments and eliminations RM	Consolidated RM
Revenue					
External customers		66,803,667	-	-	66,803,667
Inter segment		38,836,616	-	(38,836,616)	-
Total revenue		<u>105,640,283</u>	<u>-</u>	<u>(38,836,616)</u>	<u>66,803,667</u>
Segment results					
Finance income		192,505	1,041,272	(572,266)	661,511
Finance costs		(1,101,731)	(675,253)	572,266	(1,204,718)
Depreciation and amortisation		(9,236,813)	(743,152)	(28,545)	(10,008,510)
Other non-cash item	(i)	(10,496,290)	20,794,995	-	10,298,705
Taxation		6,111,512	20,552	(14,470)	6,117,594
Share of results of an associate, net of tax		-	(706,667)	-	(706,667)
Segment (loss)/profit before tax		<u>(44,287,011)</u>	<u>19,512,700</u>	<u>(601,675)</u>	<u>(25,375,986)</u>
Segment assets		<u>294,167,114</u>	<u>275,479,610</u>	<u>(196,852,928)</u>	<u>372,793,796</u>
Segment liabilities		<u>55,492,531</u>	<u>26,341,931</u>	<u>(37,820,517)</u>	<u>44,013,945</u>
Assets					
Capital expenditure	(ii)	<u>15,989,544</u>	<u>9,308,742</u>	<u>-</u>	<u>25,298,286</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	2024 RM	2023 RM
Change in fair value of other investments	91,917	23,575,008
Gain on early termination of lease contracts	9,077	7,753
Gain/(Loss) on disposal of:		
- Property, plant and equipment	29	98
- Other investments at FVOCI	(150,000)	-
- Other investments at FVTPL	(6,838,041)	(2,780,013)
Impairment losses on		
- Property, plant and equipment	-	(5,590,733)
- Trade receivables	(192,004)	(40,493)
Inventories written down	(2,067,652)	(4,538,574)
Unrealised (loss)/gain on foreign exchange	(27,507)	29,703
Reversal of impairment losses on trade receivables	6,471	223,230
Written off of:	-	
- Property, plant and equipment	(3,081)	(587,274)
- Inventories	(1,267)	-
	<u>(9,172,058)</u>	<u>10,298,705</u>

- (i) Other non-cash items consist of the above as presented in the respective notes to financial statements.
- (ii) Capital expenditure consists of additions of property, plant and equipment, investment properties and right-of-use assets.

(b) Geographic information

Revenue information based on the geographical location of customers respectively are as follow:

	2024 RM	2023 RM
Malaysia	57,208,730	57,623,929
Singapore	8,535,647	8,212,933
Others	474,284	966,805
	<u>66,218,661</u>	<u>66,803,667</u>

(c) Major customers

Revenue from 2 (2023: 2) major customers amounted to RM14,963,742 (2023: RM15,143,869), arising from manufacturing and trading segment.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

Revenue from major customer with revenue equal or more than 10% of the Group's revenue are as follows:

	2024 RM	2023 RM
Customer A	8,106,765	7,020,081
Customer B	6,856,977	8,123,788
	<u>14,963,742</u>	<u>15,143,869</u>

37. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Amortised cost RM	Fair value through profit or loss RM	Fair value through other comprehensive income RM	Total RM
Group				
2024				
Financial assets				
Other investments	-	10,263,713	28,001,047	38,264,760
Trade receivables	16,421,511	-	-	16,421,511
Other receivables	689,942	-	-	689,942
Cash and bank balances	<u>10,412,277</u>	<u>-</u>	<u>-</u>	<u>10,412,277</u>
	<u>27,523,730</u>	<u>10,263,713</u>	<u>28,001,047</u>	<u>65,788,490</u>
Financial liabilities				
Trade payables	4,763,224	-	-	4,763,224
Other payables	5,691,615	-	-	5,691,615
Bank borrowings	24,513,365	-	-	24,513,365
Lease liabilities	2,992,006	-	-	2,992,006
ICULS liability component	<u>136,569</u>	<u>-</u>	<u>-</u>	<u>136,569</u>
	<u>38,096,779</u>	<u>-</u>	<u>-</u>	<u>38,096,779</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	Amortised cost RM	Fair value through profit or loss RM	Fair value through other comprehensive income RM	Total RM
Group				
2023				
Financial assets				
Other investments	-	46,889,411	19,561,360	66,450,771
Trade receivables	16,154,345	-	-	16,154,345
Other receivables	728,602	-	-	728,602
Cash and bank balances	15,741,738	-	-	15,741,738
	<u>32,624,685</u>	<u>46,889,411</u>	<u>19,561,360</u>	<u>99,075,456</u>
Financial liabilities				
Trade payables	2,988,818	-	-	2,988,818
Other payables	5,819,174	-	-	5,819,174
Bank borrowings	20,750,740	-	-	20,750,740
Lease liabilities	4,006,959	-	-	4,006,959
ICULS liability component	177,226	-	-	177,226
Amount due to an associate	27,825	-	-	27,825
	<u>33,770,742</u>	<u>-</u>	<u>-</u>	<u>33,770,742</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	Amortised cost	
	2024	2023
	RM	RM
Company		
Financial assets		
Other receivables	222,195	213,068
Amount due from subsidiaries	25,544,803	16,683,110
Cash and bank balances	75,596	334,511
	<u>25,842,594</u>	<u>17,230,689</u>
Financial liabilities		
Other payables	251,662	156,865
Lease liabilities	1,182,454	1,401,695
ICULS liability component	136,569	177,226
Amount due to a subsidiary	404,270	-
	<u>1,974,955</u>	<u>1,735,786</u>

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency, interest rate and market price risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

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

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables, deposits with banks and other investments. The Company's exposure to credit risk arises principally from its receivables, advances to subsidiaries and financial guarantee given to banks for banking facility granted to its subsidiaries. There are no significant changes as compared to previous years.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

At each reporting date, the Group assesses whether any of its receivables are credit impaired.

As at the end of the reporting period, the Group has 1 debtor (2023: 2 debtors) that accounted for approximately 14% (2023: 30%) of all the trade receivables outstanding. The Company has no significant concentration of credits risks except for its amount due from subsidiaries where risks of default have been assessed to be low.

The Company provides unsecured advances to its subsidiaries. It also provides financial guarantee to banks for banking facility granted to subsidiaries. The financial guarantee of the Company has not been recognised since the fair value on initial recognition was not material. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amounts of the financial assets recorded on the statements of financial position.
- Bank guarantee of the Group amounted to RM7,839,851 (2023: RM8,830,228) to third parties.
- Financial guarantee amounted to RM24,513,365 (2023: RM20,750,740) provided by the Company to banks on subsidiaries' loans and borrowings. There was no indication that the subsidiaries would default on repayment as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	Contractual interest rate %	On demand or within 1 year RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group						
2024						
Non-derivative financial liabilities						
Trade payables	-	4,763,224	-	-	4,763,224	4,763,224
Other payables	-	5,691,615	-	-	5,691,615	5,691,615
Lease liabilities	4.04 - 6.65	1,433,411	1,761,824	32,497	3,227,732	2,992,006
ICULS liability component	0.10	48,252	97,002	-	145,254	136,569
Bank borrowings	3.63 - 7.85	24,513,365	-	-	24,513,365	24,513,365
Bank guarantee *	-	7,839,851	-	-	7,839,851	-
		44,289,718	1,858,826	32,497	46,181,041	38,096,779

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

Group 2023	Contractual interest rate %	On demand or within 1 year RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Non-derivative financial liabilities						
Trade payables	-	2,988,818	-	-	2,988,818	2,988,818
Other payables	-	5,819,174	-	-	5,819,174	5,819,174
Lease liabilities	4.04 - 6.40	1,400,532	2,930,968	71,534	4,403,034	4,006,960
ICULS liability component	0.10	48,418	145,254	-	193,672	177,226
Bank borrowings	3.55 - 8.88	20,750,740	-	-	20,750,740	20,750,740
Amount due to an associate	3.00	27,825	-	-	27,825	27,825
Bank guarantee *		8,830,228	-	-	8,830,228	-
		<u>39,865,735</u>	<u>3,076,222</u>	<u>71,534</u>	<u>43,013,491</u>	<u>33,770,743</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	Contractual interest rate %	On demand or within 1 year RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company 2024						
Non-derivative financial liabilities						
Other payables		251,662	-	-	251,662	251,662
Lease liabilities	5.40	416,095	870,319	-	1,286,414	1,182,454
ICULS liability component	0.10	48,252	97,002	-	145,254	136,569
Amount due to a subsidiary	3.00	404,270	-	-	404,270	404,270
Financial guarantee *		24,513,365	-	-	24,513,365	-
		<u>25,633,644</u>	<u>967,321</u>	<u>-</u>	<u>26,600,965</u>	<u>1,974,955</u>
2023						
Non-derivative financial liabilities						
Other payables		156,865	-	-	156,865	156,865
Lease liabilities	5.40	397,860	1,160,425	-	1,558,285	1,401,695
ICULS liability component	0.10	48,418	145,254	-	193,672	177,226
Financial guarantee *		20,750,740	-	-	20,750,740	-
		<u>21,353,883</u>	<u>1,305,679</u>	<u>-</u>	<u>22,659,562</u>	<u>1,735,786</u>

* Based on the maximum amount that can be called for under the bank guarantee and financial guarantee contract.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

(ii) Market risks

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Singapore Dollar (“SGD”), United State Dollar (“USD”) and Euro (“EUR”).

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

	SGD RM	Denominated in			Total RM
		USD RM	EUR RM	Others RM	
Group					
2024					
Cash and bank balances	2,358,573	625,638	30,566	149	3,014,926
Trade and other receivables	1,596,534	-	-	-	1,596,534
Trade and other payables	(714,130)	(935,514)	(11,351)	-	(1,660,995)
Lease liabilities	(244,570)	-	-	-	(244,570)
Bank borrowings	-	(928,843)	-	-	(928,843)
	<u>2,996,407</u>	<u>(1,238,719)</u>	<u>19,215</u>	<u>149</u>	<u>1,777,052</u>
2023					
Cash and bank balances	2,126,482	1,688,203	248,555	149	4,063,389
Trade and other receivables	1,955,375	-	-	-	1,955,375
Trade and other payables	(614,539)	(409,391)	(174,493)	-	(1,198,423)
Lease liabilities	(13,067)	-	-	-	(13,067)
Bank borrowings	-	(441,858)	-	-	(441,858)
	<u>3,454,251</u>	<u>836,954</u>	<u>74,062</u>	<u>149</u>	<u>4,365,416</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the SGD, USD, EUR and others exchange rates against RM, with all other variables held constant.

Group	Change in currency rate RM	2024 Effect on loss before tax RM	2023 Effect on loss before tax RM
SGD	Strengthened 5% (2023:5%)	149,820	172,713
	Weakened 5% (2023:5%)	<u>(149,820)</u>	<u>(172,713)</u>
USD	Strengthened 5% (2023:5%)	(61,936)	41,848
	Weakened 5% (2023:5%)	<u>61,936</u>	<u>(41,848)</u>
EUR	Strengthened 5% (2023:5%)	961	3,703
	Weakened 5% (2023:5%)	<u>(961)</u>	<u>(3,703)</u>
Others	Strengthened 5% (2023:5%)	7	7
	Weakened 5% (2023:5%)	<u>(7)</u>	<u>(7)</u>

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market risk.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long terms deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amount at the end of the reporting period was:

	Group	
	2024 RM	2023 RM
Floating rate instruments		
Financial liabilities	<u>(13,784,754)</u>	<u>(12,258,700)</u>

Interest rate risk sensitivity analysis

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the interest rate, with all other variables held constant.

	Group	
	2024 RM	2023 RM
Increase in 100 basis point	(137,848)	(122,587)
Decrease in 100 basis point	<u>137,848</u>	<u>122,587</u>

(c) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted instruments. These investments are listed on Bursa Malaysia Securities Berhad and are classified as fair value through profit or loss financial assets.

This type of investment is approved by key management as the alternative to investment in money market funds in order to generate higher investment return on the spare funds.

Market price sensitivity analysis

The following table demonstrates the sensitivity a reasonably possible change in market price:

	Group			
	2024 Effect on loss before tax RM	2023 RM	2024 Effect on other comprehensive income RM	2023 RM
Strengthened 1% (2023:1%)	102,637	468,894	280,010	195,613
Weakened 1% (2023:1%)	<u>(102,637)</u>	<u>(468,894)</u>	<u>(280,010)</u>	<u>(195,613)</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**(c) Fair values of financial instruments**

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term loans and borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The table below analyses financial instruments carried at fair value together with their carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value		Total fair value RM	Carrying amount RM
	Level 1 RM	Total RM		
Group				
2024				
Financial asset				
Other investments	38,264,760	38,264,760	38,264,760	38,264,760
2023				
Financial asset				
Other investments	66,450,771	66,450,771	66,450,771	66,450,771

(i) Policy on transfer between levels

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

There were no transfers between levels during current and previous financial periods.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

38. CAPITAL MANAGEMENT

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	Group	
	2024 RM	2023 RM
Bank borrowings	24,513,365	20,750,740
Less: Cash and bank balances	<u>(10,412,277)</u>	<u>(15,741,738)</u>
Net debt	<u>14,101,088</u>	<u>5,009,002</u>
Shareholders' equity	<u>285,647,932</u>	<u>328,779,851</u>
Debt-to-equity ratio (%)	<u>4.94</u>	<u>1.52</u>

There were no changes in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**39. SUBSEQUENT EVENTS**

On 3 July 2024, the Board of Directors has approved to dispose two freehold lands and buildings. The Group entered into the Sale and Purchase Agreement on 3 July 2024 and 25 July 2024, with the purchasers, for a total consideration of RM530,000 and RM320,000 respectively. These transactions are not completed as at the date of report.

On 16 August 2024, the Company increased its issued and paid up share capital through the issuance of 70,000 new ordinary shares pursuant to the conversion of RM0.04 nominal value of irredeemable convertible unsecured loan stock ("ICULS") at RM0.04 per ICULS.

On 9 September 2024, the Company increased its issued and paid up share capital through the issuance of 145,000 new ordinary shares pursuant to the conversion of RM0.04 nominal value of irredeemable convertible unsecured loan stock ("ICULS") at RM0.04 per ICULS.

On 7 October 2024, the Company increased its issued and paid up share capital through the issuance of 215,900 new ordinary shares pursuant to the conversion of RM0.04 nominal value of irredeemable convertible unsecured loan stock ("ICULS") at RM0.04 per ICULS.

On 15 October 2024, the Company increased its issued and paid up share capital through the issuance of 18,400 new ordinary shares pursuant to the conversion of RM0.04 nominal value of irredeemable convertible unsecured loan stock ("ICULS") at RM0.04 per ICULS.

On 17 October 2024, the Company increased its issued and paid up share capital through the issuance of 23,300 new ordinary shares pursuant to the conversion of RM0.04 nominal value of irredeemable convertible unsecured loan stock ("ICULS") at RM0.04 per ICULS.

40. Material litigation

YB Ventures Berhad ("**Company**") and its subsidiaries, namely Yi-Lai Marketing Sdn Bhd, Yi-Lai Industry Berhad, YB Technologies Sdn Bhd as well as its associate, Techbase System Sdn Bhd were served on 12 July 2024 with a Writ of Summons and a Statement of Claim both dated 4 July 2024. The Company was named as the 5th Defendant, Yi-Lai Marketing Sdn Bhd was named as the 6th Defendant, Yi-Lai Industry Berhad was named as the 7th Defendant, YB Technologies Sdn Bhd was named as the 10th Defendant and Techbase System Sdn Bhd was named as the 9th Defendant. The action was commenced by Mah Sau Cheong ("**Plaintiff**") through his solicitors, Messrs. Alfred Lai & Partners.

Based on the Statement of Claim, it was alleged that the 5th, 6th, 7th, 9th and 10th Defendants together with others are persons acting in concert pursuant to section 216 of the Capital Markets and Services Act 2007 ("**CMSA**") and Rule 4.03 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions and they have allegedly conspired with others to breach section 176 of CMSA and section 202 of CMSA and to injure and cause harm to all the other shareholders of South Malaysia Industries Berhad, the 1st Defendant, including the Plaintiff.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

The relief claimed by the Plaintiff are as below:

1. The 2nd to 30th Defendants jointly and severally pay to the Plaintiff a sum of RM24,084,036.00 for the deprivation of the Plaintiff's opportunity to receive a mandatory general offer for the Plaintiff's shares in the 1st Defendant (16,056,024 ordinary shares) at the price of RM1.500 per share.
2. Alternatively, the 2nd to 30th Defendants jointly and severally pay for the Plaintiff a sum of RM17,019,385.44 for the deprivation of the Plaintiff's opportunity to receive a mandatory general offer for the Plaintiff's shares in the 1st Defendant (16,056,024 ordinary shares) at the price of RM1.060 per share.
3. Alternatively, the 2nd to 30th Defendants jointly and severally pay to the Plaintiff general damages to be assessed by the High Court of Malaya at Johor Bahru ("Court") for the deprivation of the Plaintiff's opportunity to receive a mandatory general offer for the Plaintiff's shares in the 1st Defendant (16,056,024 ordinary shares).
4. Alternatively, the 2nd to 30th Defendants jointly and severally pay to the Plaintiff general damages to be assessed by the Court for the losses suffered by the Plaintiff due to the depressed mandatory general offer price in the event that the 2nd to 30th Defendants were ordered to make a mandatory general offer to all the other remaining shareholders of the 1st Defendant, including the Plaintiff.
5. Costs to be paid by the 2nd to 30th Defendants jointly and severally to the Plaintiff.
6. Such further and/or other relief or reliefs that the Court deems fit and proper.

On 26 August 2024, the Plaintiff filed a Notice of Application dated 26 August 2024 ("**Injunction Application**") for, among others, the following orders:

- (a) an Order that the 2nd Defendant, the 3rd Defendant, 16th Defendant, 28th Defendant, 29th Defendant and/or 30th Defendant, either by themselves, their directors, officers, employees and/or agents, be restrained and an injunction be granted to restrain them from taking any further step under the Notice of Unconditional Mandatory Take-over Offer dated 20 August 2024 to acquire shares in the 1st Defendant until the suit is disposed or until further order; and
- (b) an Order that the 1st Defendant, either by itself, its directors, officers, employees and/or agents, be restrained and an injunction be granted to restrain them from taking any further step under the Notice of Unconditional Mandatory Take-over Offer dated 20 August 2024 until the suit is disposed or until further order.

On 5 September 2024, the matter was mentioned before the learned Judicial Commissioner, Tuan Noor Hisham bin Ismail ("**JC**"). Counsel for the Plaintiff objected to the request by Counsel for the Securities Commission Malaysia ("**SC**") to appear as *amicus curiae*. After hearing parties, the learned JC allowed Counsel for the SC to participate in the proceedings as *amicus curiae*. After hearing oral arguments of Counsel, the learned JC refused to grant an *ad interim* injunction order sought by the Plaintiff ("**Decision on 5 September 2024**").

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

On 8 September 2024, the 1st Defendant filed a Notice of Application dated 8 September 2024 (“**Application for Consequential Orders/Further Directions**”) seeking for the following consequential Orders and/or directions from the Court:

- (a) whether arising from the Order or Decision on 5 September 2024, the 1st Defendant is not to proceed and/or take any further steps as set out in the Notice of Unconditional Mandatory Take-Over Offer dated 20 August 2024 until the full and final disposal of the suit or the Injunction Application whichever is appropriate; and
- (b) in the alternative, that the 1st Defendant is to proceed with and/or take any further steps as set out in the Notice of Unconditional Mandatory Take-Over Offer dated 20 August 2024 until full and final disposal of the suit or the Injunction Application, whichever is appropriate.

On 26 September 2024, SC filed an application to intervene in Suit 48 (“**Intervention Application**”).

On 27 September 2024, the 28th to 30th Defendants filed an application to transfer the proceedings from Johor Bahru High Court to Kuala Lumpur High Court (“**Transfer Application**”).

The Intervention Application is fixed for hearing on 10 November 2024.

The Transfer Application is fixed for hearing on 29 April 2025.

The Suit 48, Injunction Application and Application for Consequential Orders/Further Directions are fixed for case management on 22 January 2025.

No provision has been made in the financial statements of the Group and the Company in respect of this claim at this juncture, as the outcome of the Suit is not presently determinable.

41. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of directors in accordance with a resolution of the directors on 24 October 2024.

LIST OF PROPERTIES

Location	Description/ Existing Use	Approximate age of building (years)	Aproximate land/built- up area	Tenure	Date of Revaluation	Net Book Value at 30 June 2024 RM'000
Lot 7022, GRN 225815, Mukim of Kulai, District of Kulai, State of Johor.	Factory building and warehouse	25 years	4.04686 hectares	Freehold	30.06.2024	46,549
Lot 7020, HSD37506, Mukim of Kulai, District of Kulai, State of Johor.	Factory building	34 years	4.0519 hectares	Freehold	30.06.2024	47,004
PTD 95217 HSD 27695 & PTD 95218 HSD 27705 Mukim of Kulai, District of Kulai, State of Johor.	Warehouse	18 years	19,461.3 square meter	Freehold	30.06.2024	39,185
Lot 7019, Geran 225856, Mukim of Kulai, District of Kulai, State of Johor.	Storage	N/A	4.0468 hectares	Freehold	30.06.2024	15,316
PN 74248 Lot 53725, Pekan Baru Sungai Buloh, District of Petaling, State of Selangor.	Bungalow	15 years	1,395 square meter	Leasehold 99 years expiring on 11 Nov 2101	30.06.2024	9,000
PT 29971 HSD 97785, Mukim of Sungai Buloh, District of Petaling, State of Selangor.	Bungalow	29 years	1,104 square meter	Leasehold 99 years expiring on 25 Oct 2090	30.06.2024	7,442
Parcel No. A-L2-01, Storey No. L2, sited on PN 108379 Lot 73786, Mukim of Sungai Buloh, District of Petaling, State of Selangor.	Office suite	9 years	1,451 square meter	Leasehold 99 years expiring on 13 May 2108	30.06.2024	8,828
Lot 86264 GRN 435827 & Lot 86265 GRN 435828, Mukim of Kulai, District of Kulai, State of Johor.	Marketing office cum showroom	14 years	328 square meter	Freehold	30.06.2024	1,665
PTD 96545, HSD 52021, Mukim of Kulai, District of Kulai, State of Johor.	Three storey shop office	16 years	156.1 square meter	Freehold	30.06.2024	785
Lot 9432 PM 4309, Mukim of Bachang, District of Melaka Tengah, State of Melaka.	Marketing office	18 years	146 square meter	Leasehold 99 years expiring on 5 Nov 2105	30.06.2024	690

ANALYSIS OF SHAREHOLDINGS AS AT 3 OCTOBER 2024

Total Number of Issued Share	:	291,605,336 (including 808,166 treasury shares)
Types of Shares	:	Ordinary Share
Voting Right	:	One (1) vote per ordinary share
Number of Shareholders	:	3,475

DISTRIBUTION OF SHAREHOLDINGS AS AT 3 OCTOBER 2024 (as shown in the Record of Depositors)

Size of Shareholdings	No. of Shareholders	No. of Shares	Percentage of Shareholdings (%)
1 to 99	551	24,426	0.008
100 to 1,000	294	86,196	0.030
1,001 to 10,000	1,325	6,278,281	2.159
10,001 to 100,000	1,044	34,729,704	11.943
100,001 to less than 5% of issued shares	260	233,728,563	80.375
5% and above of issued shares	1	15,950,000	5.485
Total	3,475	290,797,170	100.000

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 3 OCTOBER 2024

Names	Direct Interest		Indirect Interest	
	No. of Shares	Percentage [#] (%)	No. of Shares	Percentage [#] (%)
1. Dato' Sri Tajudin Bin Md Isa	–	–	–	–
2. Datuk Au Yee Boon	13,115,833	4.51	24,192,166 ^(a)	8.32
3. Kok Soke Kuen	–	–	–	–
4. Dato' Sri Gan Chow Tee	–	–	–	–
5. Chua Ya Ting	–	–	–	–

SUBSTANTIAL SHAREHOLDER AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 3 OCTOBER 2024

Names	Direct Interest		Indirect Interest	
	No. of Shares	Percentage [#] (%)	No. of Shares	Percentage [#] (%)
1. Datin Lim Lee Wheng	8,242,166	2.83	13,115,833 ^(b)	4.51
2. Datuk Au Yee Boon	13,115,833	4.51	24,192,166 ^(a)	8.32
3. TechBase Solution Sdn Bhd	15,950,000	5.48		

Note:

[#] Based on the Company's issued share capital of 290,797,170 ordinary shares (excluding 808,166 ordinary shares which are held by the Company as treasury shares) as at 3 October 2024.

^(a) Deemed interest by virtue of his interest in TechBase Solution Sdn Bhd and by virtue of the interest of his spouse, Datin Lim Lee Wheng pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016.

^(b) Deemed interest by virtue of the interest of her spouse, Datuk Au Yee Boon pursuant to Section 59(11)(c) of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS
(CONT'D)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 3 OCTOBER 2024

Names	No. of Shares	Percentage of Shareholdings (%)
1. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TECHBASE SOLUTION SDN BHD	15,950,000	5.48
2. MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE SOON KHEAN	14,000,000	4.81
3. UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD	11,200,549	3.85
4. AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM BOON HUA	9,091,000	3.13
5. MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU HAW CHOON	8,700,000	2.99
6. CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM LEE WHENG	8,242,166	2.83
7. TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOON CHIN SENG	7,819,500	2.69
8. KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE SING	7,500,000	2.58
9. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AU YEE BOON	7,315,833	2.52
10. KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR CHAI CHOI HONG	6,771,766	2.33
11. ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG TZU CHUEN	6,050,000	2.08
12. KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR KHOR CHONG YAK	5,335,800	1.83
13. HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG TZU CHUEN	4,690,000	1.61
14. CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN	4,400,000	1.51
15. CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE KOOI LAN	4,220,000	1.45
16. PHILLIP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI YOUK LAN	4,000,000	1.38
17. HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU HAW CHOON	3,600,000	1.24
18. CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOON CHIN SENG	3,530,600	1.21

ANALYSIS OF SHAREHOLDINGS
(CONT'D)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 3 OCTOBER 2024 (CONT'D)

Names	No. of Shares	Percentage of Shareholdings (%)
19. KONG LEK CHAI @ KONG AH LIM	3,400,000	1.17
20. RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM SOR YEE	3,190,800	1.10
21. RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AU YEE BOON	3,000,000	1.03
22. RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM BOON HUA	3,000,000	1.03
23. AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (DATO')	2,950,000	1.01
24. AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR AU YEE BOON (SMART)	2,800,000	0.96
25. RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE SZE YEEN	2,446,000	0.84
26. PERCETAKAN SANWA INDUSTRIES SDN.BHD.	2,350,000	0.81
27. RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR POR TEONG ENG	2,221,500	0.76
28. PHILLIP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KIAN HIN	2,108,000	0.72
29. AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOON CHIN SENG	2,001,600	0.69
30. RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEONG WENG TEONG	2,000,000	0.69
TOTAL	163,885,114	56.36

ANALYSIS OF 5-YEAR 0.10% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (“ICULS”) AS AT 3 OCTOBER 2024

Total Issued ICULS : 1,209,041,795
Total Outstanding ICULS : 1,201,207,587

A. DISTRIBUTION OF ICULS HOLDERS AS AT 3 OCTOBER 2024 (as shown in the Record of Depositors)

Size of Holdings	No. of ICULS Holders	No. of ICULS	%
1 to 99	32	1,516	*
100 to 1,000	24	11,180	*
1,001 to- 10,000	64	414,991	0.03
10,001 to 100,000	316	16,600,398	1.38
100,001 to less than 5% of outstanding ICULS	472	848,097,602	70.60
5% and above of outstanding ICULS	2	336,081,900	27.98
TOTAL	910	1,201,207,587	100.00

Note:

* Negligible

B. THIRTY LARGEST ICULS HOLDERS AS AT 3 OCTOBER 2024 (as shown in the Record of Depositors)

No.	Name	No. of ICULS	%
1	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GUNUNG RESOURCES SDN BHD	206,331,900	17.18
2	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TECHBASE SOLUTION SDN BHD	129,750,000	10.80
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AU YEE BOON	49,287,100	4.10
4	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM LEE WHENG	41,210,830	3.43
5	TAN SI KIM	32,500,000	2.71
6	TAN KOK KIN	29,392,600	2.45
7	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG CHEE KEONG	27,192,000	2.26
8	PERCETAKAN SANWA INDUSTRIES SDN.BHD.	16,500,000	1.37
9	CHEE CHIN SENG	16,008,800	1.33
10	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AU YEE BOON	15,000,000	1.25
11	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR AU YEE BOON	14,000,000	1.17
12	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR KHOR CHONG YAK	13,569,300	1.13

ANALYSIS OF 5-YEAR 0.10% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") (CONT'D)

B. THIRTY LARGEST ICULS HOLDERS AS AT 3 OCTOBER 2024 (CONT'D) (as shown in the Record of Depositors)

No.	Name	No. of ICULS	%
13	LEE CHEE KIAN	13,250,000	1.10
14	KENANGA NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD	12,173,900	1.01
15	LEW ZHU EN	11,825,000	0.98
16	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN.BHD. PLEDGED SECURITIES ACCOUNT FOR TOH CHEE HOON	10,952,000	0.91
17	LEE CHEE HOE	10,900,000	0.91
18	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN EIK HUANG	10,830,365	0.90
19	TAN CHEE CHOONG	10,770,600	0.90
20	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE CHEE KEI	10,566,600	0.88
21	AU YEE BOON	10,005,996	0.83
22	CHEONG WENG TEONG	10,000,000	0.83
23	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIAU ZHEN KANG	8,900,000	0.74
24	LOW SIOU WON	8,750,000	0.73
25	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHONG LI PING	8,500,000	0.71
26	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD	8,055,000	0.67
27	CHAI KEAT CHEE	7,984,000	0.66
28	WOO CHIEW LOONG	7,500,000	0.62
29	GAN LU TER	7,300,000	0.61
30	PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD	6,672,500	0.56
TOTAL		765,678,491	63.74

ANALYSIS OF 5-YEAR 0.10% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") (CONT'D)

C. DIRECTORS' INTEREST IN ICULS AS AT 3 OCTOBER 2024 (as shown in the Record of Depositors)

No.	Name	Direct		Indirect	
		No. of ICULS	%	No. of ICULS	%
1.	Dato' Sri Tajudin Bin Md Isa	—	—	—	—
2.	Datuk Au Yee Boon	88,293,096	7.35	170,960,830 ^(a)	14.23
3.	Kok Soke Kuen	—	—	—	—
4.	Dato' Sri Gan Chow Tee	—	—	—	—
5.	Chua Ya Ting	—	—	—	—

Note:

^(a) Deemed interest by virtue of his interest in TechBase Solution Sn Bhd and by virtue of the interest of his spouse, Datin Lim Lee Wheng pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016.

ANALYSIS OF WARRANTS HOLDINGS AS AT 3 OCTOBER 2024

Total Issued Warrants : 145,250,984
Total Outstanding Warrants : 145,250,984

A. DISTRIBUTION OF WARRANTS HOLDERS AS AT 3 OCTOBER 2024 (as shown in the Record of Depositors)

Size of Holdings	No. of Warrants Holders	No. of Warrants	%
1 to 99	844	32,141	0.02
100 to 1,000	471	330,740	0.23
1,001 to 10,000	1,072	4,840,108	3.33
10,001 to 100,000	488	16,203,218	11.16
100,001 to less than 5% of issued Warrants	122	104,892,077	72.21
5% and above of issued Warrants	2	18,952,700	13.05
TOTAL	2,999	145,250,984	100.00

B. THIRTY LARGEST WARRANTS HOLDERS AS AT 3 OCTOBER 2024 (as shown in the Record of Depositors)

No.	Name	No. of Warrants	%
1	GUNUNG RESOURCES SDN BHD MAYBANK NOMINEES (TEMPATAN) SDN BHD	10,977,700	7.56
2	PLEDGED SECURITIES ACCOUNT FOR TECHBASE SOLUTION SDN BHD	7,975,000	5.49
3	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG	7,000,000	4.82
4	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG TZU CHUEN	5,525,000	3.80
5	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOON CHIN SENG	5,068,250	3.49
6	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR KHOR CHONG YAK	4,157,800	2.86
7	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM LEE WHENG	4,121,083	2.84
8	KENANGA NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD	4,051,000	2.79
9	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE SING	3,750,000	2.58
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AU YEE BOON	3,657,916	2.52
11	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR CHAI CHOI HONG	3,385,883	2.33
12	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR POR TEONG ENG	2,808,100	1.93

ANALYSIS OF WARRANTS HOLDINGS
(CONT'D)**B. THIRTY LARGEST WARRANTS HOLDERS AS AT 3 OCTOBER 2024 (CONT'D)**
(as shown in the Record of Depositors)

No.	Name	No. of Warrants	%
13	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN	2,200,000	1.51
14	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU HAW CHOON	2,150,000	1.48
15	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATUK CHIAU BENG TEIK	1,950,000	1.34
16	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD	1,924,074	1.32
17	KONG LEK CHAI @ KONG AH LIM	1,700,000	1.17
18	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AU YEE BOON	1,500,000	1.03
19	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (DATO')	1,475,000	1.02
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG TEIK	1,452,500	1.00
21	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATUK CHIAU BENG TEIK	1,450,000	1.00
22	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR AU YEE BOON	1,400,000	0.96
23	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GUNUNG RESOURCES SDN BHD	1,328,600	0.91
24	CHONG SAI TONG	1,310,033	0.90
25	LIANG WEI HAN	1,255,900	0.86
26	PERCETAKAN SANWA INDUSTRIES SDN. BHD.	1,175,000	0.81
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG CHEE KEONG	1,150,000	0.79
28	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR POR TEONG ENG	1,110,750	0.76
29	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG TEIK	1,108,333	0.76
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEONG SIN KHONG	1,101,300	0.76
TOTAL		89,219,222	61.42

ANALYSIS OF WARRANTS HOLDINGS
(CONT'D)**C. DIRECTORS' INTEREST IN WARRANTS AS AT 3 OCTOBER 2024**
(as shown in the Record of Depositors)

No.	Name	Direct		Indirect	
		No. of Warrants	%	No. of Warrants	%
1.	Dato' Sri Tajudin Bin Md Isa	—	—	—	—
2.	Datuk Au Yee Boon	6,557,916	4.51	12,096,083 ^(a)	8.33
3.	Kok Soke Kuen	—	—	—	—
4.	Dato' Sri Gan Chow Tee	—	—	—	—
5.	Chua Ya Ting	—	—	—	—

Note:

^(a) Deemed interest by virtue of his interest in TechBase Solution Sdn Bhd and by virtue of the interest of his spouse, Datin Lim Lee Wheng pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016.

SHARE BUY-BACK STATEMENT

IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE UP TO 10% OF THE COMPANY'S TOTAL NUMBER OF ISSUED SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

THIS SHARE BUY-BACK STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL INDEPENDENT ADVISER IMMEDIATELY.

1. DISCLAIMER STATEMENT

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

2. INTRODUCTION

At the 23rd Annual General Meeting of YB Ventures Berhad ("**YBVB**" or the "**Company**") held on 29 November 2023, YBVB had obtained approval from its shareholders for the Company to purchase and/or hold up to ten percent (10%) of the total issued share capital of the Company. The authority shall, in accordance with the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**"), expire at the conclusion of the forthcoming Twenty-Fourth Annual General Meeting ("**24th AGM**"), unless such authority is renewed at the forthcoming 24th AGM.

On 24 October 2024, the Board of Directors of the Company ("**Board**") announced its intention to seek shareholders' approval for the Proposed Renewal of Share Buy-Back Authority. The Proposed Renewal of Share Buy-Back Authority is subject to compliance with Section 127 of the Companies Act 2016 ("**Act**") and any prevailing laws, orders, requirements, guidelines, rules and regulations issued by any relevant authorities at the time of purchase.

The purpose of this Statement is to provide you with the relevant information on the Proposed Renewal of Share Buy-Back Authority and set out the Board's recommendation thereon. The Company will seek the shareholders' approval for the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 24th AGM.

3. PURCHASES AND CANCELLATION OF SHARES AND RESALE OF TREASURY SHARES MADE PURSUANT TO THE EXISTING APPROVAL

During the preceding 12 months up to 3 October 2024, being the latest practicable date ("**LPD**") of this Statement, the Company did not purchase any of its own ordinary shares ("**Shares**" or "**YBVB Shares**") from the open market.

As at the LPD, a total of 808,166 Shares are held by the Company as treasury shares. The Company has not resold or cancelled any treasury shares on Bursa Securities during the preceding 12 months up to the LPD.

SHARE BUY-BACK STATEMENT
(CONT'D)

4. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

As at the LPD, the Company's issued share capital is RM110,895,303.68 comprising 291,605,336 ordinary shares of the Company (including 808,166 treasury shares) and the Company has:

- (i) 1,201,207,587 outstanding 5-year, 0.10%, irredeemable convertible unsecured loan stocks ("ICULS");
- (ii) 145,250,984 outstanding warrants 2022/2025 as constituted by the deed poll dated 5 September 2022 ("Warrants"); and
- (iii) up to 245,709,586 ESOS (as defined herein) options which may be granted pursuant to the maximum allowable amount under the employees' share option scheme, which took effect on 5 April 2021 for a period of 5 years ("ESOS") based on the assumption that 808,166 treasury shares are resold on the open market and all the outstanding ICULS and Warrants as mentioned above are converted/exercised into new Shares.

Based on the above, the maximum number of Shares that may be purchased is as follows:

	Minimum Scenario No. of Shares	Maximum Scenario No. of Shares
Total number of issued Shares as at the LPD ⁽¹⁾	291,605,336	291,605,336
Less: treasury shares	(808,166)	— ⁽²⁾
Assuming all the outstanding ICULS are converted ⁽³⁾	—	1,201,207,587
Assuming all the outstanding Warrants are exercised ⁽⁴⁾	—	145,250,984
To be issued upon full exercise of the ESOS options ⁽⁵⁾	—	245,709,586
Total number of issued Shares	290,797,170	1,883,773,493
Maximum number of Shares that may be purchased	29,079,717	188,377,349

Notes:

⁽¹⁾ Including 808,166 Shares which are held by the Company as treasury shares as at the LPD.

⁽²⁾ Assuming 808,166 treasury shares are resold in the open market at their respective acquisition prices.

⁽³⁾ Assuming all the outstanding 1,201,207,587 ICULS are converted into 1,201,207,587 new Shares by surrendering 1 ICULS and paying RM0.44 in cash, which is the difference between the issue price of the ICULS surrendered and the conversion price of RM0.48 for 1 new Share.

⁽⁴⁾ Assuming all the outstanding 145,250,984 Warrants are fully exercised into 145,250,984 new Shares at the exercise price of RM0.37.

⁽⁵⁾ Assuming 245,709,586 ESOS options are granted pursuant to the maximum allowable amount under the ESOS and fully exercised into 245,709,586 new Shares.

The Proposed Renewal of Share Buy-Back Authority will be effective immediately upon the passing of the ordinary resolution and will continue to be in force until:

- (i) the conclusion of the Company's next Annual General Meeting at which time the said authority shall lapse unless renewed by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- (iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earliest.

SHARE BUY-BACK STATEMENT (CONT'D)

5. TREATMENT OF THE PURCHASED YBVB SHARES

Pursuant to Section 127 of the Act, the Board may, at its discretion, deal with the Shares so purchased in the following manner:

- (i) to cancel the Shares so purchased;
- (ii) to retain the Shares so purchased as the treasury shares, which may be distributed as share dividends to the shareholders and/or be resold on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be transferred for the purpose of an employees' share scheme and/or be transferred as purchase consideration and/or be cancelled subsequently;
- (iii) to retain part of the Shares so purchased as treasury shares and cancel the remainder of the Shares; or
- (iv) to deal with the Shares so purchased in any other manner as may be permitted by the applicable laws and/or regulations in force from time to time.

Upon each purchase of the Shares pursuant to the Proposed Renewal of Share Buy-Back Authority, an immediate announcement will be made to Bursa Securities in respect of the intention of the Board whether to retain the Shares so purchased as treasury shares, cancel them or a combination of both. An immediate announcement will also be made to Bursa Securities of any resale, transfer and/or cancellation of treasury shares.

6. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority, may potentially benefit the Company as follows: -

- (i) It allows the Company to take preventive measures against speculation, particularly when the Shares are undervalued, which would in turn, stabilise the market price of the Shares and hence, enhance investors' confidence;
- (ii) if the Shares purchased are retained as treasury shares, the Board may distribute the treasury shares as share dividends to reward the shareholders and thus, minimise the cash outlay required for dividends in the future whilst stabilising the market price of the Shares; and
- (iii) the resultant reduction of the share capital base (in respect of Shares purchased which are then cancelled) may potentially enhance the Earnings Per Share ("EPS") and the net assets ("NA") per Share of the Company and its group of companies ("Group") (all things being equal).

The Board does not expect the Proposed Renewal of Share Buy-Back Authority to have any material disadvantage to the Company and its shareholders as it will be implemented only after due consideration of the financial resources of the Group and the resultant impact on the Company and its shareholders. The Board, in exercising any decision to purchase any Shares, will be mindful of the Group's and the Company's shareholders' interests.

7. QUANTUM AND FUNDING

The actual number of the Shares which may be purchased and the timing of the purchase(s) will depend on, inter-alia, market conditions, share market sentiments and the availability of retained profits and financial resources of the Company as well as Listing Requirements to maintain the necessary shareholding spread.

The Proposed Renewal of Share Buy-Back Authority will be funded through internally generated funds and/or external borrowings. The maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back Authority will be subject to the Company's retained profits. The audited retained profits of the Company as at 30 June 2024 is RM12.3 million.

In the event the Proposed Renewal of Share Buy-Back Authority is funded through external borrowings, the Board shall ensure that the Company has sufficient financial capabilities to repay such borrowings and that such borrowings will not have any material effect on the Group's financial.

SHARE BUY-BACK STATEMENT
(CONT'D)

7. QUANTUM AND FUNDING (CONT'D)

Pricing

YBVB may only purchase its own shares at a price which is not more than fifteen percent (15%) above the weighted average market price ("WAMP") of YBVB Shares for the past five (5) market days immediately preceding the date of the purchase(s).

The treasury shares arising from the share buy-back shall be resold or transferred pursuant to Section 127(7) of the Act, if so determined by the Board, at a price that is: -

- a. not less than the WAMP of YBVB Shares for the past five (5) market days immediately preceding the date of the resale or transfer; or
- b. not more than five percent (5%) discount to the five (5) market days WAMP of YBVB Shares immediately prior to the resale or transfer, provided that:-
 - i. the resale or transfer take place no earlier than thirty (30) days from the date of purchase; and
 - ii. the resale or transfer price is not less than the cost of purchase of the shares being resold or transferred.

The monthly highest and lowest prices of YBVB Shares as traded on Bursa Securities for the preceding twelve (12) months from October 2023 to September 2024 are as follows: -

Month	Share price	
	High (RM)	Low (RM)
<u>2023</u>		
October	0.280	0.250
November	0.300	0.245
December	0.270	0.245
<u>2024</u>		
January	0.270	0.250
February	0.255	0.235
March	0.260	0.215
April	0.245	0.215
May	0.250	0.215
June	0.230	0.210
July	0.225	0.185
August	0.210	0.150
September	0.185	0.160

The last transacted price of the shares as at the LPD prior to the printing of this Statement is RM0.17.

SHARE BUY-BACK STATEMENT (CONT'D)

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

The financial resources of YBVB may increase pursuant to the resale of the purchased shares held as treasury shares at prices higher than the purchase price. The other advantages of the Proposed Renewal of Share Buy-Back Authority are outlined in item 5 of this Statement.

However, the Proposed Renewal of Share Buy-Back Authority, if implemented, would reduce the financial resources of the Company. This may result in the Company foregoing future investment opportunities and/or any income that may be derived from alternative uses of such funds.

Nevertheless, the Board will be mindful of the interests of YBVB and its shareholders in implementing the Proposed Renewal of Share Buy-Back Authority.

9. EFFECT OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

As at the LPD, the Company has 291,605,336 Shares in issue (including 808,166 treasury shares) and the following securities:

- (i) 1,201,207,587 outstanding ICULS;
- (ii) 145,250,984 outstanding Warrants; and
- (iii) up to 245,709,586 ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS based on the assumption that 808,166 treasury shares are resold on the open market and all the outstanding ICULS and Warrants are exercised into new shares.

The Company does not intend to grant any ESOS Options prior to the 24th AGM.

The effects of the Proposed Renewal of Share Buy-Back Authority are illustrated as follows:-

Minimum Scenario	:	Assuming 808,166 treasury shares are retained, and none of the outstanding ICULS, Warrants and ESOS options are converted/exercised into new YBVB Shares before the implementation of the Proposed Renewal of Share Buy-Back Authority
Maximum Scenario	:	Assuming 808,166 treasury shares are resold in the open market and that all of the outstanding ICULS, Warrants and ESOS options are converted/exercised into new YBVB Shares before the implementation of the Proposed Renewal of Share Buy-Back Authority

SHARE BUY-BACK STATEMENT
(CONT'D)

9. EFFECT OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

9.1 Share Capital

The pro forma effects of the Proposed Renewal of Share Buy-Back Authority as follows: -

	Minimum Scenario No. of Shares	Maximum Scenario No. of Shares
Share Capital as at the LPD ⁽¹⁾	291,605,336	291,605,336
Less: treasury shares	(808,166)	⁽²⁾
To be issued assuming full conversion of the outstanding ICULS ⁽³⁾	–	1,201,207,587
To be issued assuming full exercise of the outstanding Warrants ⁽⁴⁾	–	145,250,984
To be issued assuming full granting and exercise of the ESOS options which may be granted ⁽⁵⁾	–	245,709,586
	290,797,170	1,883,773,493
Upon completion of the Proposed Share Buy-Back (assuming all treasury shares are cancelled)	(29,079,717)	(188,377,349)
Enlarged issued share capital	261,717,453	1,695,396,144

Notes:

- ⁽¹⁾ Including 808,166 Shares which are held by the Company as treasury shares as at the LPD.
- ⁽²⁾ Assuming 808,166 treasury shares are resold in the open market at their respective acquisition prices.
- ⁽³⁾ Assuming all the outstanding 1,201,207,587 ICULS are converted into 1,201,207,587 new Shares by a combination of surrendering 1 ICULS and paying RM0.44 in cash, which is the difference between the issue price of the ICULS surrendered and the conversion price of RM0.48 for 1 new Share.
- ⁽⁴⁾ Assuming all the outstanding 145,250,984 Warrants are fully exercised into 145,250,984 new Shares at the exercise price of RM0.37.
- ⁽⁵⁾ Assuming 245,709,586 ESOS options are granted pursuant to the maximum allowable amount under the ESOS and fully exercised into 245,709,586 new Shares.

The Proposed Renewal of Share Buy-Back Authority will not have any effect on the total number of issued Shares if the purchased Shares are retained as treasury shares except that certain rights attaching to the treasury shares will be suspended.

9.2 NA and Gearing

The effects of the Proposed Renewal of Share Buy-Back Authority on the Group's NA per Share will depend on the number of Shares purchased, the purchase prices of the Shares, the effective funding costs to finance the purchase of the Shares and the treatment of the Shares so purchased by the Company.

If the purchased shares are kept as treasury shares, the NA per share will decrease unless the cost per share of the treasury shares purchased is below the NA per share at the relevant point in time. This is because the treasury shares, which are required to be carried at cost, must be offset against equity and therefore would result in a decrease in NA of the Company.

Similarly, if the purchased shares are cancelled, the NA per share of the Group will decrease unless the cost per share of the purchased shares is below the NA per share at the relevant point in time.

In the case where the purchased shares are treated as treasury shares and subsequently resold on Bursa Securities, the NA per share of the Group will increase if the Company realises a gain from the resale, and vice-versa. If the treasury shares are distributed as share dividends, the NA of the Group will decrease by the cost of the treasury shares.

SHARE BUY-BACK STATEMENT
(CONT'D)**9. EFFECT OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)****9.2 NA and Gearing (Cont'd)**

Assuming that the treasury shares are being retained by the Company and no borrowings are being utilised to fund the purchase of the Shares, all else being equal, the Proposed Renewal of Share Buy-Back Authority may increase the gearing of the Group as the equity will be reduced by the cost of Shares acquired.

9.3 Working Capital

The Proposed Renewal of Share Buy-Back Authority will reduce the working capital of the Group, the quantum of which will depend on the purchase prices of the Shares and the number of the Shares purchased.

However, the working capital of the Group will increase if the purchased Shares are resold on Bursa Securities. The quantum of the increase will depend on the actual selling prices of the treasury shares and the number of treasury shares resold on Bursa Securities.

9.4 Cashflow

The Proposed Renewal of Share Buy-Back Authority is not expected to be implemented to the extent that it will adversely affect the cash flow of the Company. The exact effect on the cash flow of the Company will depend on the purchase prices of the Shares and the number of the Shares purchased.

9.5 Earnings

The effects of the Proposed Renewal of Share Buy-Back Authority on the earnings of the Group are dependent on the purchase prices of the Shares, the number of Shares purchased and the effective funding cost or loss in interest income to the Group.

Assuming that the YBVB Shares so purchased are retained as treasury shares and subsequently resold, the effects on the earnings of our Group are dependent on the actual selling price, the number of treasury shares resold, the effective gain or interest savings arising from the exercise, and the manner in which the proceeds arising therefrom are utilised.

If the YBVB Shares so purchased are cancelled, the Proposed Renewal of Share Buy-Back Authority will increase the EPS of the Group provided the income foregone and, if any, interest expense incurred on the Shares purchased is less than the EPS before the Proposed Renewal of Share Buy-Back Authority.

SHARE BUY-BACK STATEMENT
(CONT'D)

9. EFFECT OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

9.6 Directors' and Substantial Shareholders' Shareholdings

The effect of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the Directors and the substantial shareholders of YBVB based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the LPD, assuming the Proposed Renewal of Share Buy-Back Authority is undertaken in full by the Company, are as follows:

Minimum Scenario

	(i)					
	As at the LPD			After the Proposed Renewal of Share Buy-Back Authority		
	Direct	(9)%	Indirect	Direct	(14)%	(14)%
	No. of Shares		No. of Shares	No. of Shares	No. of Shares	
Substantial shareholder						
TechBase Solution Sdn Bhd	15,950,000	5.48	-	15,950,000	6.09	-
Datin Lim Lee Wheng	8,242,166	2.83	13,115,833 ⁽¹⁾	8,242,166	3.15	13,115,833 ⁽¹⁾
						5.01
Substantial shareholder and/or Director						
Dato' Sri Tajudin Bin Md Isa	-	-	-	-	-	-
Datuk Au Yee Boon	13,115,833	4.51	24,192,166 ⁽²⁾	13,115,833	5.01	24,192,166 ⁽²⁾
Kok Soke Kuen	-	-	-	-	-	-
Dato Sri Gan Chow Tee	-	-	-	-	-	-
Chua Ya Ting	-	-	-	-	-	-

Maximum Scenario

	(i)				(ii)			
	As at the LPD		Assuming all treasury shares are resold at cost		(6)After (i) and all the outstanding ICULS converted			
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
Substantial shareholder								
TechBase Solution Sdn Bhd	15,950,000	5.48	-	-	15,950,000	5.47	-	-
Datin Lim Lee Wheng	8,242,166	2.83	13,115,833 ⁽¹⁾	4.51	8,242,166	2.83	13,115,833 ⁽¹⁾	3.31
Substantial shareholder / Director								
Dato' Sri Tajudin Bin Md Isa	-	-	-	-	-	-	-	-
Datuk Au Yee Boon	13,115,833	4.51	24,192,166 ⁽²⁾	8.32	13,115,833	4.50	24,192,166 ⁽²⁾	6.79
Kok Soke Kuen	-	-	-	-	-	-	-	-
Dato Sri Gan Chow Tee	-	-	-	-	-	-	-	-
Chua Ya Ting	-	-	-	-	-	-	-	-

SHARE BUY-BACK STATEMENT (CONT'D)

9. EFFECT OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

9.6 Directors' and Substantial Shareholders' Shareholdings (Cont'd)

Maximum Scenario (Cont'd)

	(III) After (II) and assuming all outstanding Warrants are exercised				(IV) After (III) and assuming all the ESOS Options are exercised				(V) After (IV) the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(9)%	No. of Shares	(8)%	No. of Shares	(10)%	No. of Shares	(10)%	No. of Shares	(11)%	No. of Shares	(11)%
Substantial shareholder												
TechBase Solution Sdn Bhd	153,675,000 ⁽⁸⁾	9.38	-	-	153,675,000	8.16	-	-	153,675,000	9.06	-	-
Datin Lim Lee Wheng	53,574,079 ⁽⁷⁾	3.27	107,966,845 ⁽¹⁾	6.59	53,574,079	2.84	107,966,845 ⁽¹⁾	5.73	53,574,079	3.16	107,966,845 ⁽¹⁾	6.37
Substantial shareholder / Director												
Dato' Sri Tajudin Bin Md Isa	-	-	-	-	-	-	-	-	-	-	-	-
Datuk Au Yee Boon	107,966,845 ⁽⁸⁾	6.59	207,249,079 ⁽²⁾	12.65	107,966,845	5.73	207,249,079 ⁽²⁾	11.00	107,966,845	6.37	207,249,079 ⁽²⁾	12.22
Kok Soke Kuen	-	-	-	-	-	-	-	-	-	-	-	-
Dato Sri Gan Chow Tee	-	-	-	-	-	-	-	-	-	-	-	-
Chua Ya Ting	-	-	-	-	-	-	-	-	-	-	-	-

SHARE BUY-BACK STATEMENT (CONT'D)

9. EFFECT OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

9.6 Directors' and Substantial Shareholders' Shareholdings (Cont'd)

Notes :

- (1) Deemed interested by virtue of the interest of her spouse, Datuk Au Yee Boon pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of his interest in TechBase Solution Sdn Bhd and by virtue of the interest of his spouse, Datin Lim Lee Wheng pursuant to Section 8 of the Act.
- (3) Assuming TechBase Solution Sdn Bhd's holding of 129,750,000 ICULS is fully converted into 129,750,000 Shares.
- (4) Assuming Datin Lim Lee Weng's holding of 41,210,830 ICULS is fully converted into 41,210,830 Shares.
- (5) Assuming Datuk Au Yee Boon's holding of 88,293,096 ICULS is fully converted into 88,293,096 Shares.
- (6) Assuming TechBase Solution Sdn Bhd's holding of 7,975,000 Warrants is fully exercised into 7,975,000 Shares.
- (7) Assuming Datin Lim Lee Weng's holding of 4,121,083 Warrants is fully exercised into 4,121,083 Shares.
- (8) Assuming Datuk Au Yee Boon's holding of 6,557,916 Warrants is fully exercised into 6,557,916 Shares.
- (9) Based on our Company's issued share capital of 290,797,170 Shares (excluding 808,166 Shares which are held by the Company as treasury shares) as at the LPD.
- (10) Based on our Company's enlarged issued share capital of 291,605,336 Shares assuming 808,166 treasury shares were resold on the open market.
- (11) Based on our Company's enlarged issued share capital of 1,492,812,923 Shares.
- (12) Based on our Company's enlarged issued share capital of 1,638,063,907 Shares.
- (13) Based on our Company's enlarged issued share capital of 1,883,773,493 Shares.
- (14) Based on the issued share capital of 261,717,453 Shares and 1,695,396,144 Shares under the Minimum and Maximum Scenario respectively.

10. PUBLIC SHAREHOLDING SPREAD

As at the LPD, the public shareholding spread of the Company is approximately 86.87%.

For illustrative purposes, assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full based on the total number of issued Shares as at the LPD, and the Shares are purchased from the public shareholders, the pro forma public shareholding spread of our Company would be reduced to approximately 85.45%.

The Board will ensure that before any share buy-back exercise, the public shareholding spread of at least 25% of the Company's total listed shares required under Paragraph 8.02(1) of the Listing Requirements is maintained.

11. IMPLICATIONS RELATING TO THE CODE

Pursuant to the Malaysian Code on Take-Overs and Mergers 2016 ("**Code**") and Rules on Take-Overs, Mergers and Compulsory Acquisition issued by the SC ("**Rules**"), a person and any person acting in concert with him, will be required to make a mandatory offer for the remaining YBVB Shares not already owned by him/her/them if his/her/their stake in the Company is increased to beyond 33.0% or if his/her/their shareholdings is/are between 33.0% and 50.0% and increases by another 2.0% in any six (6) months period. However, an exemption from mandatory offer obligation may be granted by the Securities Commission Malaysia under the Code and Rules upon application by such person(s).

The Company does not intend to undertake the Proposed Renewal of Share Buy-Back Authority such that it will trigger any obligation to undertake a mandatory offer pursuant to the Code and the Rules. However, in the event an obligation to undertake a mandatory offer is to arise with respect to any party resulting from the Proposed Renewal of Share Buy-Back Authority, the relevant parties shall make the necessary application to the SC for a waiver to undertake a mandatory offer pursuant to the Code.

SHARE BUY-BACK STATEMENT
(CONT'D)**12. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

Save for the inadvertent increase in the percentage shareholding and/or voting rights of the shareholders as a result of the Proposed Renewal of Share Buy-Back Authority, none of the Directors and major shareholders and/or persons connected to them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority and the subsequent resale of treasury shares, if any, in the future.

13. DIRECTORS' RECOMMENDATION

The Directors, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, including the rationale and the effect of the Proposed Renewal of Share Buy-Back Authority, are of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company.

Accordingly, our Board recommends you to vote in favour of the ordinary resolution to give effect to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 24th AGM.

14. DIRECTORS' RESPONSIBILITY STATEMENT

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

15. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the Company's Registered Office situated at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur during normal business hours from Monday to Friday (except for public holidays) from the date of this Statement up to and including the date of the 24th AGM:

- i. the Constitution of the Company; and
- ii. the audited financial statements of the Company for the financial year ended 30 June 2023 and 2024 respectively.

This Share Buy-Back Statement is dated 30 October 2024.

NOTICE OF TWENTY-FOURTH (24TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fourth (24th) Annual General Meeting (“AGM”) of YB Ventures Berhad (“Company”) will be held and conducted by way of virtual meeting entirely through live streaming via a Remote Participation and Voting (“RPV”) Facilities from the Broadcast Venue at Unit 702, Level 7, Tropicana Gardens Office Tower, No. 2A, Persiaran Surian, 47810 Petaling Jaya, Selangor Darul Ehsan on Thursday, 12 December 2024 at 11.00 a.m. or at any adjournment thereof for the following businesses:

AGENDA

Ordinary Business

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 30 June 2024 together with the Reports of the Directors and Auditors thereon. | Explanatory Note A |
| 2. To re-elect Ms Kok Soke Kuen who retires in accordance with Clause 103 of the Constitution of the Company and being eligible, has offered herself for re-election. | Ordinary Resolution 1 |
| 3. To re-elect Ms Chua Ya Ting who retires in accordance with Clause 110 of the Constitution of the Company and being eligible, has offered herself for re-election. | Ordinary Resolution 2 |
| 4. To approve the payment of Directors' fees and other benefits payable totaling RM300,000 for the period from 24 th AGM until the conclusion of next AGM of the Company. | Ordinary Resolution 3 |
| 5. To re-appoint Messrs. Morison LC PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | Ordinary Resolution 4 |

Special Business

- | | |
|-------------------------------------------------------------------------------------------------------------------|------------------------------|
| 6. Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016 | Ordinary Resolution 5 |
|-------------------------------------------------------------------------------------------------------------------|------------------------------|

Waiver of pre-emptive rights over new ordinary shares or other convertible securities in the Company under Section 85(1) of the Companies Act 2016 read together with Clause 65 of the Company's Constitution

“THAT subject to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”), the Company's Constitution and approval of the relevant governmental regulatory authorities, if required, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016, to allot and issue new shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer at any time and from time to time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, to any persons who are not prescribed by Paragraph 6.04(c) of the Listing Requirements provided that the aggregate number of shares to be allotted and issued under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so allotted and issued from Bursa Securities and that such authority shall continue in force until the conclusion of the next AGM of the Company.

NOTICE OF TWENTY-FOURTH (24TH) ANNUAL GENERAL MEETING
(CONT'D)

AND THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 65 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to Sections 75 and 76 of the Companies Act 2016."

7. **Proposed Renewal of Share Buy-Back Authority for the Company to Purchase Up to 10% of its Total Number of Issued Shares ("Proposed Renewal of Share Buy-Back Authority")**

Ordinary Resolution 6

"THAT subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act 2016, the provisions of the Company's Constitution, the Listing Requirements and the approvals of all relevant governmental/regulatory authorities, approval be and is hereby given to the Company to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be purchased and held pursuant to this resolution does not exceed 10% of the existing issued share capital of the Company including the shares previously purchased and retained as treasury shares (if any) and the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits of the Company, upon such terms and conditions as set out in the Statement in relation to the Proposed Renewal of Share Buy-Back Authority dated 30 October 2024 in the Annual Report.

THAT such authority shall commence immediately upon the passing of this Ordinary Resolution and until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM is required by law to be held unless revoked or varied by ordinary resolution in the general meeting of the Company but so as not to prejudice the completion of a purchase made before such expiry date, in any event in accordance with the provisions of the Listing Requirements and any other relevant authorities.

THAT authority be and is hereby given to the Directors of the Company to decide in their absolute discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares and/or to cancel them and/or to resell them and/or to distribute them as share dividends in such manner as may be permitted and prescribed by the provisions of the Listing Requirements and any other relevant authorities.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the interests of the Company."

8. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482 / SSM PC No. 202208000250)

TAN LAY KHOON (MAICSA 7077867 / SSM PC No. 202208000544)

Company Secretaries

Kuala Lumpur

Date: 30 October 2024

NOTICE OF TWENTY-FOURTH (24TH) ANNUAL GENERAL MEETING (CONT'D)

Notes: -

1. Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at this virtual AGM using RPV Facilities provided by Agmo Digital Solutions Sdn Bhd via its Vote2U online website at <https://web.vote2u.my>.
2. A member of the Company entitled to participate, speak and vote at the meeting is entitled to appoint not more than two (2) proxies to participate, speak and vote in his/her stead. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
4. Where a member or authorised nominee appoints two (2) proxies, or when an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or the hand of an office or attorney duly authorised.
6. The proxy form must be deposited at the Share Registrar's office of the Company situated at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for the holding of the meeting or any adjournment thereof.
7. Only members registered in the Record of Depositors as at 4 December 2024 shall be eligible to participate, speak and vote at the meeting or appoint a proxy to participate, speak and/or vote on his/her behalf.

Explanatory Notes to Ordinary Business:

Item 1 of the Agenda - Audited Financial Statements for the financial year ended 30 June 2024

This item in the agenda is solely for discussion purpose, as Section 340(1)(a) of the Companies Act 2016 does not require shareholders to formally approve the audited financial statements. Therefore, the matter will not be put forward for voting.

Ordinary Resolutions 1 to 2: Re-election of Directors who retire pursuant to Clause 103 and Clause 110 of the Company's Constitution

The following Directors who are standing for re-election as Directors of the Company pursuant to the Clause 103 and Clause 110 of the Company's Constitution at the forthcoming 24th AGM of the Company and who are being eligible for re-election have offered themselves for re-election in accordance with the Company's Constitution: -

- a) Ms Kok Soke Kuen – Clause 103
- b) Ms Chua Ya Ting – Clause 110

(collectively referred to as "**Retiring Directors**")

The Board of Directors ("**Board**") through the Nomination Committee has deliberated on the suitability of the Retiring Directors to be re-elected as Directors. Upon deliberation, the Board (except for the respective Director concerned) collectively agreed that the Retiring Directors meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors of the Company and recommended the Retiring Directors be re-elected as the Directors of the Company.

NOTICE OF TWENTY-FOURTH (24TH) ANNUAL GENERAL MEETING
(CONT'D)Explanatory Notes to Special Business:

Ordinary Resolution 5: Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016; and waiver of pre-emptive rights over new ordinary shares or other convertible securities in the Company under Section 85(1) of the Companies Act 2016 read together with Clause 65 of the Company's Constitution

The proposed Ordinary Resolution 5 is a renewal of general authority given to the Directors of the Company to allot and issue shares as approved by the shareholders at the 23rd AGM on 29 November 2023 ("**Previous Mandate**").

As at the date of this notice of meeting, the Directors have not issued any shares pursuant to the general mandate granted pursuant to the Previous Mandate.

The proposed Ordinary Resolution 5, if passed, will renew the general mandate given to the Directors of the Company to allot ordinary shares of the Company from time to time and expand the mandate to grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares issued and allotted, to be subscribed under any rights granted, to be issued from the conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being ("**Renewed General Mandate**"). In computing the aforesaid 10% limit, shares issued or agreed to be issued or subscribed pursuant to the approval of shareholders in a general meeting where precise terms and conditions are approved shall not be counted. The Renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The Renewed General Mandate will enable the Directors to allot and issue ordinary shares at any time up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being without convening a general meeting which will be both time and cost consuming. The mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to the placement of shares for the purpose of funding future investment project(s), working capital and/or acquisitions.

Please refer to Section 85(1) of the Companies Act 2016 and Clause 65 of the Company's Constitution as detailed below.

Section 85(1) of the Companies Act 2016 provides as follows:

"85. Pre-emptive rights to new shares

(1) Subject to the constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 65 of the Company's Constitution provides as follows:

"65. Unless otherwise determined by the Company in general meeting any original shares or securities for the time being unissued and not allotted as provided in this Constitution and any new shares or securities from time to time to be created shall, before they are issued, be offered to the members in proportion, as nearly as may be, to the number of shares or securities held by them. Such offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of the same in such manner as they think fit most beneficial to the Company. The Directors may, in like manner dispose of any such new or original shares or securities as aforesaid, which, by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid, or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in manner herein before provided."

In order for the Directors to issue any new Shares or other convertible securities free of pre-emptive rights, such pre-emptive rights must be waived. The proposed Ordinary Resolution 5, if passed, will exclude your pre-emptive rights over all new shares, options over or grant of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities under the authority to Directors to allot shares.

NOTICE OF TWENTY-FOURTH (24TH) ANNUAL GENERAL MEETING (CONT'D)

Ordinary Resolution 6: Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 6, if passed, will empower the Company to purchase its own ordinary shares of up to ten percent (10%) of the Company's total number of issued shares at any time within the time period stipulated in the Listing Requirements. This authority, unless renewed or revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company or the expiration of the period within the next AGM after that date is required by law to be held, whichever occurs first. Please refer to the statement in relation to the Proposed Renewal of Share Buy-Back Authority dated 30 October 2024 in the Annual Report for more information.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities: -

1. Details of individuals who are standing for election as Directors (excluding Directors for re-election).

No individual is seeking election as a Director at the 24th AGM of the Company.

2. General mandate for issue of securities in accordance with Paragraph 6.03 of the Main Market Listing Requirements of Bursa Securities.

The details of the general mandate/authority for Directors of the Company to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in the Explanatory Note to Special Business of the Notice of 24th AGM of the Company

No. of shares held	CDS Account No.

I/We, NRIC/Passport/Company Registration No.
(FULL NAME IN BLOCK LETTERS)

of

Contact No. and # email address.....

being a member/members of **YB VENTURES BERHAD** ("Company"), hereby appoint:

Full Name (IN BLOCK LETTERS)	NRIC/Passport No.	% of shareholdings
# Contact No.	# Email Address	
Address:		

*and/or

Full Name (IN BLOCK LETTERS)	NRIC/Passport No.	% of shareholdings
# Contact No.	# Email Address	
Address:		

You are required to fill in the contact no. and email address in order to participate the Twenty-Fourth (24th) Annual General Meeting ("AGM"), otherwise, we are unable to register you as the participant of the meeting.

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us on my/our behalf at the 24th AGM of the Company which to be held and conducted by way of virtual meeting entirely through live streaming via a Remote Participation and Voting ("RPV") Facilities from the Broadcast Venue at Unit 702, Level 7, Tropicana Gardens Office Tower, No. 2A, Persiaran Surian, 47810 Petaling Jaya, Selangor Darul Ehsan on Thursday, 12 December 2024 at 11.00 a.m. or at any adjournment thereof, in the manners as indicated below:

No	Resolutions	For	Against
1.	To re-elect Ms Kok Soke Kuen who retires pursuant to Clause 103 of the Company's Constitution.		
2.	To re-elect Ms Chua Ya Ting who retires pursuant to Clause 110 of the Company's Constitution.		
3.	To approve the payment of Directors' fees and other benefits payable totaling RM300,000 for the period from 24 th AGM until the next AGM of the Company.		
4.	To re-appoint Messrs. Morison LC PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
5.	Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016; and waiver of pre-emptive rights over new ordinary shares or other convertible securities in the Company under Section 85(1) of the Companies Act 2016 read together with Clause 65 of the Company's Constitution.		
6.	Proposed renewal of share buy-back authority for the Company to purchase up to 10% of its total number of ordinary shares.		

Please indicate with an "X" or "√" in the spaces provided above as to how you wish your votes to be cast. If no specific direction as to voting is given, your proxy will vote or abstain from voting at his/her discretion.

Dated this day of, 2024

.....
Signature/Common Seal of Shareholder*



Notes:-

1. Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at this virtual AGM using RPV Facilities provided by Agmo Digital Solutions Sdn Bhd via its Vote2U online website at <https://web.vote2u.my>.
2. A member of the Company entitled to participate, speak and vote at the meeting is entitled to appoint not more than two (2) proxies to participate, speak and vote in his/her stead. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
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6. The form of proxy must be deposited at the Share Registrar's office of the Company situated at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1 Medan Syed Putra Utara, 59200 Kuala Lumpur not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof.
7. Only members registered in the Record of Depositors as at 4 December 2024 shall be eligible to participate, speak and vote at the meeting or appoint a proxy to participate, speak and/or vote on his/her behalf.

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AFFIX
STAMP

**THE SHARE REGISTRAR OF
YB VENTURES BERHAD**
[Registration No. 200001013437 (516043-K)]
c/o Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur, Malaysia

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Fold This Flap For Sealing

