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INSPIRING TRANSFORMATIONS

YB | YB VENTURES
BERHAD

TALOS
Living Tiles



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BERHAD
200001013437 (516043-K)

YB VENTURES BERHAD [200001013437 (516043-K)]



Annual
Report 2026

ANNUAL REPORT 2026

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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 Dr. Gan Chow Tee
Independent Non-Executive
Director

Koh Beng San
Independent Non-Executive
Director

AUDIT COMMITTEE

Chairman
Koh Beng San

Members
Dato' Sri Tajudin Bin Md Isa
Dato' Sri Dr. Gan Chow Tee

NOMINATION COMMITTEE

Chairman
Dato' Sri Dr. Gan Chow Tee

Members
Dato' Sri Tajudin Bin Md Isa
Koh Beng San

REMUNERATION COMMITTEE

Chairman
Dato' Sri Dr. Gan Chow Tee

Members
Kok Soke Kuen
Koh Beng San

COMPANY SECRETARIES

Tan Tong Lang
(MAICSA 7045482 & SSM PC No.
202208000250)

Tan Lay Khoon
(MAICSA 7077867 & SSM PC No.
202208000544)

REGISTERED OFFICE

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

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

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 City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan
Tel : +603-9770 2200
Fax : +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
and Services

PROFILE OF DIRECTORS



DATO' SRI TAJUDIN BIN MD ISA

Independent Non-Executive Chairman



Male



Malaysian



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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 University 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' meetings held during the financial year ended 30 June 2026.

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



Male



Malaysian



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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 as an Executive Director.

Datuk Au has attended all five (5) Board of Directors' meetings held during the financial year ended 30 June 2026.

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



Female



Malaysian



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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.

Ms Kok has more than 24 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' meetings held during the financial year ended 30 June 2026.

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.

PROFILE OF DIRECTORS (CONT'D)



DATO' SRI DR. GAN CHOW TEE

Independent Non-Executive Director



Male



Malaysian



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

Dato' Sri Dr. Gan holds a Doctor of Philosophy in Business and Entrepreneurship from the Wilmington Metropolitan University and a Diploma in Accounting from the University Tunku Abdul Rahman. Dato' Sri Dr. Gan is an outstanding entrepreneur with over 15 years of experience in property development and multi-business investments.

Throughout his professional path, Dato' Sri Dr. 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-seed and seed stage start-ups, various stages of fund-raising, and mergers and acquisitions aimed at streamlining operations to accelerate business expansion and growth.

Dato' Sri Dr. Gan ventured into the food, beverages, and catering industry in 2012, specialising in Chinese fine dining and banquet events. In recognition of his dedication and entrepreneurial excellence in this sector, he was awarded the ASEAN Business Outstanding Award in 2016.

Further demonstrating his dedication to sustainability and responsible leadership, Dato' Sri Dr. Gan was honoured under the 2025 Forbes China ESG Influential Business Leaders.

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

Dato' Sri Dr. Gan has attended all five (5) Board of Directors' meetings held during the financial year ended 30 June 2026.

Dato' Sri Dr. 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)



KOH BENG SAN

Independent Non-Executive Director



Male



Malaysian



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Mr Koh Beng San (“Mr Koh”) was appointed as the Independent Non-Executive Director on 7 July 2026. He is a Chairman of Audit Committee and a member of the Nomination Committee and Remuneration Committee.

Mr Koh began his career in 1998 as an Audit Trainee at JPL Wong & Co, Singapore, before joining BDO Binder in 1999 as an Audit Assistant. In 2002, he moved to Tru-Tech Engineering (M) Sdn Bhd as an Accountant, and in 2003 joined Southern Industrial Gas Sdn Bhd as Finance Manager, later re-designated as Financial Controller in 2004. He was promoted to Finance Director in 2015, expanding his responsibilities to include Human Resource, administration, procurement, and information technology. He also served as a director of Southern Nitrous Oxide Sdn Bhd, a related company to Southern Industrial Gas Sdn Bhd until 2019, and leaving Southern Industrial Gas Sdn Bhd in 2020 of which he is responsible for finance and accounts function.

In 2018, he founded Koh BS & Co, offering secretarial and accounting services, followed by Elitnity Sdn Bhd, a company to provide business advisory and tax consultancy services and Elitnity Corporate Services Sdn Bhd, a company involved in providing secretarial services in 2021.

Since 2020, he has been a Independent Non-Executive Director and Chairman of the Audit Committee of Renaissance United Limited, a company listed on the Singapore Exchange, a role he continues to hold at present.

Presently, he is a Independent Non-Executive Director and the Chairman of the Audit Committee of CAPE EMS Berhad, a public company listed on the Main Market of the Bursa Malaysia Securities Berhad.

Mr Koh did not attend any Board of Directors’ meeting held during the financial year ended 30 June 2026 as he was only appointed on 7 July 2026.

Mr Koh 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.

KEY SENIOR MANAGEMENT

HONG KOK HOR

Financial Controller



Male



Malaysian



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Mr Hong Kok Hor joined the Group as Financial Controller in April 2025.

He graduated with a Bachelor of Accounting with Honours from University Science of Malaysia in 2000. He is a member of Malaysian Institute of Accountants since 2003. Prior to joining YB Ventures Berhad, he was attached to Deloitte PLT from 2000 to 2024 and has experience in the fields of auditing, taxation, due diligence, initial public offering and liquidation.

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.

RITA LEE HONG LAN

Head of Sales



Female



Malaysian



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Ms Rita Lee Hong Lan joined the Group as a Sales Executive in 2006 and served until 2009. She rejoined the Group in May 2012 as Assistant Sales Manager and was subsequently promoted to Head of Sales in 2024.

She has over 15 years of sales experience in the tile industry with proven expertise in market development, customer relationship management and strategic brand positioning. Throughout her career, she has demonstrated a strong track record in driving sales performance and building long-term client relationships. Prior to rejoining the Group, she broadened her experience in sales and marketing with another organisation, focusing on brand positioning and market development.

As Head of Sales, she is primarily responsible for driving the Group's sales operations, overseeing product management and leading the coordination of all sales activities to maximise growth.

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

She has no family relationship with any Directors and/or major shareholders of the Company. She 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. She 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 her during the financial year.

FIVE-YEAR FINANCIAL HIGHLIGHTS

	2022	2023	2024	2025	2026
OPERATING RESULTS (RM'000)					
Revenue	134,478	66,804	66,219	64,868	50,258
Net Interest Income/(Expense)	1,024	(543)	(1,162)	(1,297)	(1,230)
Tax Expense	(877)	6,118	(7,937)	(2,186)	(3,924)
Depreciation	(11,605)	(9,643)	(10,241)	(10,795)	(6,208)
Amortisation	(548)	(365)	(365)	(365)	(152)
EBITDA*	22,315	(14,825)	(29,805)	(50,721)	(20,574)
Profit/(Loss) Before Tax	11,186	(25,376)	(41,573)	(63,178)	(28,164)
Profit/(Loss) After Tax	10,309	(19,258)	(49,510)	(65,364)	(32,088)
Net Profit/(Loss) Attributable To Owners of The Company	10,309	(19,258)	(49,510)	(65,364)	(32,088)

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

KEY STATEMENT OF FINANCIAL POSITION HIGHLIGHTS (RM'000)					
Total Assets	420,105	372,794	343,472	263,957	221,131
Total Borrowings and Lease Liabilities	21,759	24,758	27,505	24,124	19,750
Shareholders' Equity	348,297	328,780	285,648	208,052	168,002

KEY FINANCIAL INDICATORS					
Return on Equity	3.0%	-5.9%	-17.3%	-31.4%	-19.1%
Return on Total Assets	2.5%	-5.2%	-14.4%	-24.8%	-14.5%
Gearing Ratio	-	-2.74%	5.98%	9.70%	9.93%
Net Assets per Share (RM)	1.20	1.13	0.98	0.71	0.58
Earnings per Share (sen)	4.24	(6.61)	(16.99)	(22.45)	(11.01)
Net Dividend per Share (sen)	0.00	0.00	0.00	0.00	0.00
Net Dividend Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Price Earnings (PE) Ratio	9.30	(4.24)	(1.29)	(0.51)	(1.09)
Share Price as at the Financial Year End (RM)	0.395	0.280	0.220	0.115	0.120

MANAGEMENT DISCUSSION AND ANALYSIS



Dear Valued Shareholders,

On behalf of the Board of Directors (“Board”) of YB Ventures Berhad (“YB Ventures” or “Company”), I am pleased to present the Management Discussion and Analysis (“MD&A”) of our Group for the financial year ended 30 June 2026 (“FYE 2026”).

This MD&A provides an overview of our Group’s financial and operational performance during FYE 2026, together with an assessment of the key factors that shaped our results during the financial year under review. It also provides insights into our Group’s business environment, financial position, key challenges, risk exposures and prospects, with the aim of providing our shareholders and stakeholders with a balanced understanding of our Group’s performance and strategic direction.

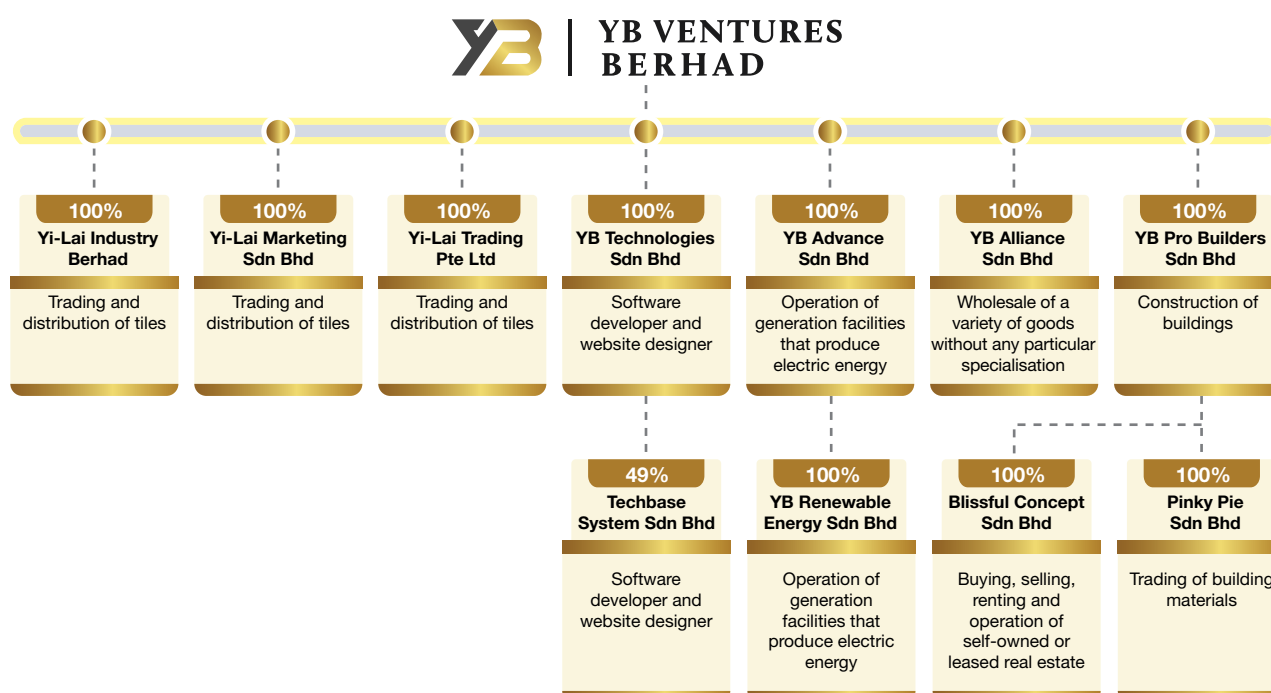


GROUP OVERVIEW

YB Ventures was established in 1990 as Yi-Lai Industry Berhad (“Yi-Lai Industry”), which is now a subsidiary of our Company, and was listed on the Main Market of Bursa Malaysia Securities Berhad in May 2002 under the Industrial Products and Services sector. The Company subsequently changed its name to YB Ventures Berhad on 26 March 2021 as part of our Group’s initiative to create a new corporate entity.

YB Ventures is principally an investment holding company. Through its subsidiaries, our Group is principally involved in the trading and distribution of tiles, supported by established distribution channels, supplier relationships and our Group’s recognised “**ALPHA TILES®**” brand.

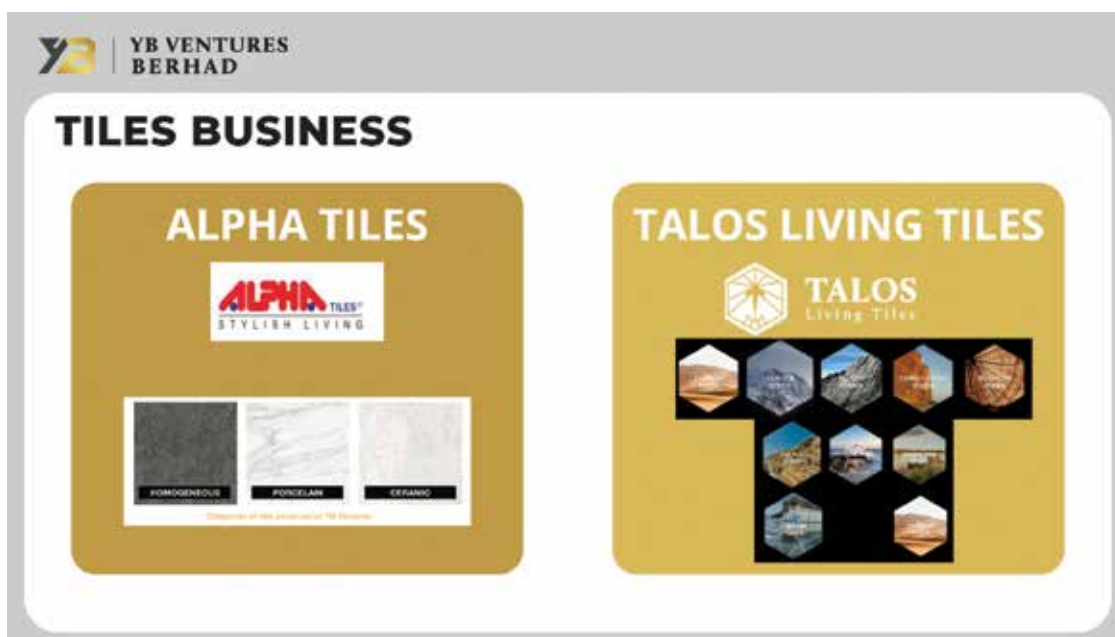
The current corporate structure of our Group is as follows:



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

TILES

Our Group principally markets and sells tiles under our proprietary brand, **ALPHA TILES®**, a well-established name in the construction, renovation and interior fit-out industries. Our flagship product, **Talos Living Tiles**, was launched in November 2019.



In 2024, our Group introduced a new and innovative tile collection under the **ALPHA TILES®** and Talos Living Tiles brands, known as the Infinity Collection. The Infinity Collection represents a new product line that brings together the strengths of both brands, with the aim of elevating tiles beyond their traditional functional purpose to become integral elements of contemporary and stylish living spaces.

Complementing our Group's existing range of small-format ceramic and porcelain tiles, the Infinity Collection features large-format tiles available in a variety of designs and surface finishes, catering to the evolving preferences and aesthetic needs of modern consumers.

Our Group's product portfolio comprises porcelain and ceramic tiles, which are suitable for a wide range of applications, including wall and floor finishes for residential, commercial and industrial developments.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

BUSINESS AND OPERATIONAL OVERVIEW

The operating environment during FYE 2026 remained dynamic and challenging, influenced by developments in the global and domestic economies, ongoing geopolitical tensions, supply chain disruptions, and fluctuations in energy and freight costs.

Against this backdrop, Malaysia's economy demonstrated resilience, supported by domestic demand and continued activity across key economic sectors. The construction sector also maintained its growth momentum during the year, with the value of construction work done increasing by 8.7% in the first half of 2026 compared with the corresponding period in 2025, providing a relatively supportive environment for businesses in the building materials and tiles industry. Malaysia's economy expanded by 5.7% in the first half of 2026, while Bank Negara Malaysia ("BNM") expects full-year economic growth to be around 5%.

Nevertheless, our Group's tiles business serves a broad range of applications, including new residential developments, housing projects, residential renovation and home improvement, as well as commercial and other construction projects. During FYE 2026, demand across these market segments remained challenging amid a cautious operating environment and heightened price sensitivity. While demand from housing and construction projects provided ongoing opportunities, some customers adopted a more cautious approach to project spending, with certain renovation and development projects being deferred, scaled back or implemented with greater cost considerations. This resulted in increased competition and pricing pressures within the market, particularly as customers became more selective in their choice of products and suppliers.

YB VENTURES IN THE FYE 2026

FYE 2026 marked an important phase in our Group's business transformation. Following the cessation of manufacturing operations at the Kulai facility on 31 October 2025, our Group progressively transitioned towards a more streamlined trading and distribution model.

Under this new operating model, our Group continued to market and distribute ceramic and porcelain tiles, with products sourced from established original equipment manufacturers ("OEMs") in China as well as local suppliers. This approach provides our Group with greater flexibility in managing its product portfolio and inventory requirements, while enabling it to respond more effectively to prevailing market demand and changing customer preferences.

Our Group continued to leverage its established customer and distributor network, together with the **ALPHA TILES®** brand, to maintain its presence in the domestic market. During the financial year under review, greater emphasis was placed on inventory rationalisation, working capital management and selective procurement, with the aim of improving inventory turnover and aligning inventory holdings more closely with market demand. As a result, inventory levels were reduced during the financial year, reflecting our Group's continued efforts to rationalise its product portfolio and optimise its working capital. Trade receivables also declined, supported by continued efforts to strengthen collection and improve working capital efficiency.

The cessation of manufacturing activities also enabled our Group to reduce manufacturing-related overheads and streamline its cost structure. Together with ongoing cost management initiatives, these measures contributed to an improvement in our Group's overall financial performance as compared with the preceding financial year.

In parallel, our Group continued to rationalise its asset base following the cessation of manufacturing activities. Plant and machinery were progressively disposed of during the financial year under review, while the former manufacturing premises were cleared and assessed for potential alternative utilisation. Our Group is exploring opportunities to unlock value from the vacant premises, including the potential leasing of the facility.

Overall, our Group's operational focus during FYE 2026 was centred on streamlining its business activities, strengthening cost and working capital discipline, optimising its asset base and establishing a leaner and more sustainable operating platform following its transition away from manufacturing.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL PERFORMANCE REVIEW

Our Group recorded a revenue of RM50.3 million for FYE 2026, compared with RM64.9 million in FYE 2025, representing a decrease of RM14.6 million or 22.5%. The decline in revenue was primarily attributable to the cessation of manufacturing operations and our Group's transition towards a trading and distribution model. Despite the lower revenue, our Group recorded a gross profit of RM1.0 million for FYE 2026, compared with a gross loss of RM14.7 million in FYE 2025. The return to gross profitability reflected the positive impact of our Group's transition away from its loss-making manufacturing operations, supported by continued efforts to manage costs and optimise its inventory mix.

Our Group recorded a loss before tax of RM28.2 million for FYE 2026, compared with RM63.2 million in FYE 2025. Loss attributable to owners also improved to RM32.1 million, compared with RM65.4 million in the preceding financial year. The improvement in our Group's overall results was principally attributable to the absence of impairment loss on property, plant and equipment recognised in the previous financial year, the improvement in gross margin and continued cost rationalisation following the cessation of manufacturing operations.

Although our Group continued to report a loss for the financial year under review, its financial performance improved as compared with the preceding financial year, particularly at the gross profit and loss-before-tax levels. This improvement reflected the initial benefits of our Group's strategic transition towards a leaner and more sustainable trading and distribution business model.

CAPITAL STRUCTURE AND RESOURCES

As at 30 June 2026, our Group's total assets stood at RM221.1 million, representing a decrease of RM42.9 million or 16.2% compared with RM264.0 million as at 30 June 2025. The reduction was principally attributable to the continued rationalisation of our Group's asset base, lower inventory holdings and the disposal of certain assets following the cessation of manufacturing activities. Our Group's fixed deposits, cash and bank balances stood at RM3.1 million as at 30 June 2026, compared with RM3.9 million as at 30 June 2025.

On the other hand, our Group's total equity decreased to RM168.0 million as at 30 June 2026, compared with RM208.1 million as at 30 June 2025, mainly reflecting the loss incurred during the financial year under review.

Total liabilities decreased to RM53.1 million as at 30 June 2026 from RM55.9 million in the preceding financial year. Total bank borrowings also declined to RM17.1 million from RM20.5 million, reflecting the Group's continued efforts to reduce its indebtedness and manage its financial resources prudently.

STATEMENT OF FINANCIAL POSITION HIGHLIGHT

Our Group continued to adopt a disciplined approach towards capital allocation, with emphasis placed on preserving liquidity, reducing financial obligations, managing working capital and deploying resources towards areas that support our Group's ongoing business operations.

RM (million)	As at 30 June 2026	As at 30 June 2025
Total Assets	221.1	263.9
Fixed Deposits, Cash and Bank Balances	3.1	3.9
Total Equity	168.0	208.1
Total Liabilities	53.1	55.9
Total Borrowings and Lease Liabilities	19.7	24.1
Net Assets Per Share (RM)	0.58	0.71
Current Ratio	1.72	1.84
Net Gearing Ratio (%)	9.93	9.70

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

NET GEARING

Our Group continued to exercise prudence in managing its borrowings and overall capital structure during financial year under review. The reduction in bank borrowings during the financial year reflects our Group's continued efforts to strengthen its financial position and reduce its reliance on external financing. During the financial year under review, our Group recorded a net gearing ratio of 9.93% compared to 9.70% as at 30 June 2025.

Our Group will continue to monitor its capital structure closely and adopt appropriate measures to maintain a prudent level of financial leverage, while ensuring that sufficient resources remain available to support its ongoing operations.

CHALLENGES AND KEY RISKS

The global economy in 2026 continued to navigate a complex and increasingly uncertain operating landscape, shaped by heightened geopolitical tensions, evolving trade policies, persistent policy uncertainties and volatility across global financial and commodity markets. Ongoing conflicts in the Middle East further heightened uncertainty in energy markets, contributing to fluctuations in oil prices and renewed inflationary pressures, while elevated borrowing costs continued to influence business and investment decisions.

Amid these prevailing conditions, the global business environment remained challenging, with heightened uncertainty and cautious sentiment affecting economic activity, investment appetite and consumer confidence. These external headwinds continued to present challenges for businesses, particularly in managing operating costs, maintaining margins and navigating fluctuations in demand and input costs.

As a Group, YB Ventures remains steadfast in its commitment to maintaining a proactive and disciplined approach towards identifying, assessing and managing both known and emerging risks that may have a material impact on our operations, financial performance and liquidity. We recognise that effective risk management is integral to safeguarding the resilience of our business, preserving stakeholder value and supporting the Group's long-term sustainability.

In an evolving and increasingly complex operating environment, the Group continues to enhance its risk awareness and management practices through the ongoing identification, assessment and monitoring of key risks and emerging challenges. This enables management to anticipate potential impacts, respond decisively to changing circumstances and implement timely and appropriate mitigation measures. The principal risks identified by the Group, together with the key mitigation measures undertaken, are outlined below.

Key Risks	Description	Mitigations
1) Changes in Regulations and Policies	<p>Our Group operates in an environment subject to evolving regulatory, trade and product requirements. Changes in import regulations, product standards, customs requirements and other regulatory measures may affect procurement costs, product compliance, lead times and supply chain arrangements.</p> <p>In addition, changes in policies relating to the property, construction and renovation sectors may influence market sentiment, construction activity and demand for our Group's tile products.</p>	<p>Our Group maintains close oversight of relevant regulatory and industry developments to anticipate potential changes and assess their implications for the business. Management works closely with suppliers to ensure that imported products comply with applicable regulatory and product standards, thereby supporting uninterrupted supply and product quality.</p> <p>Procurement costs, market conditions and selling prices are also reviewed regularly to enable our Group to respond appropriately to changes in the operating environment and manage potential pressure on margins.</p>

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Key Risks	Description	Mitigations
2) Competition Risks	<p>The tile industry remains highly competitive, with our Group facing competition from established local suppliers, imported products and lower-priced alternatives.</p> <p>Changes in customer preferences, increasing price sensitivity and softer demand across the property, construction and renovation markets may intensify competitive pressures, affect sales volumes and place pressure on selling prices and profit margins.</p>	<p>Our Group continues to strengthen its competitiveness through a balanced focus on product quality, design, pricing and customer service. Close relationships with suppliers, distributors and customers enable our Group to remain responsive to changing market conditions and evolving customer requirements.</p> <p>The product portfolio is regularly reviewed and optimised to ensure an appropriate product mix, with greater emphasis on products that are aligned with market demand and customer preferences. Our Group also continues to leverage its ALPHA TILES® brand to reinforce product recognition and market presence.</p>
3) Enterprise Risks	<p>Our Group remains exposed to a range of operational, financial and external risks that may affect business continuity, financial performance and liquidity. During the financial year under review, heightened geopolitical tensions and developments in global energy markets contributed to volatility in oil prices and freight costs. Such volatility may increase the cost of importing and distributing tile products, lengthen supply lead times and exert pressure on operating margins.</p>	<p>Our Group maintains ongoing oversight of key operational, financial and compliance indicators to identify potential risks and respond to emerging challenges in a timely manner. Fuel and freight costs are closely monitored, while procurement and delivery arrangements are regularly reviewed to manage cost pressures. Where appropriate, our Group also works with suppliers and logistics partners to optimise purchasing and delivery arrangements and mitigate the impact of cost fluctuations.</p>

The Statement on Risk Management and Internal Control in this Annual Report provides a comprehensive overview of YB Ventures' commitment to maintaining a robust risk management and internal control framework, designed to safeguard the Group's assets, support operational resilience and promote sound corporate governance.

OUTLOOK AND PROSPECTS

The operating landscape for the tile industry is expected to remain challenging in the coming financial year, characterised by persistent price competition, cautious consumer and business spending, and continued volatility in sourcing, logistics and foreign exchange costs. Competition from local manufacturers and lower-cost imports is expected to remain intense, while subdued activity in certain segments of the property, construction and renovation markets may continue to influence demand and pricing. In this environment, our Group will remain focused on strengthening its competitive position through disciplined cost management, prudent working capital deployment and effective cash flow management.

The completion of our Group's operational restructuring during FYE 2026 marked a significant milestone in its transformation journey. With the cessation of manufacturing operations at the Kulai facility and the transition towards a trading-led business model, our Group has established a leaner and more flexible operating platform with reduced exposure to fixed manufacturing overheads. This provides our Group with greater agility to respond to changing market conditions while allowing management to deploy resources more selectively towards areas that offer sustainable commercial potential.

Moving forward, our Group will sharpen its focus on its core tile trading and distribution activities, supported by its established sales and distribution network and the **ALPHA TILES®** brand. Our Group will continue to strengthen its supplier selection, evaluation and performance-monitoring processes, together with appropriate product testing and quality assurance measures, to safeguard product quality, consistency and continuity of supply.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Our Group will also seek to enhance the competitiveness and relevance of its product portfolio by introducing new designs, sizes, finishes and product offerings that respond to changing consumer preferences, renovation trends and evolving interior design concepts. Particular emphasis will be placed on maintaining an appropriate product mix, improving inventory turnover and ensuring that product offerings remain aligned with market demand. At the same time, our Group will continue to nurture its relationships with dealers, distributors, project customers and other business partners, with a focus on delivering responsive service and strengthening customer loyalty.

Beyond its core trading activities, our Group will continue to explore opportunities to unlock value from its existing asset base. Following the transition to the trading-led model, certain areas of the Kulai facility are no longer required for our Group's own operations. Our Group intends to progressively make these available areas available for lease to suitable tenants, subject to prevailing market conditions, tenant suitability, commercially acceptable terms and the necessary approvals. This initiative is expected to improve asset utilisation, generate an additional recurring income stream and partially offset our Group's ongoing property holding and maintenance costs.

Barring unforeseen circumstances, our Group's immediate priorities will be to stabilise and strengthen its core tile trading business, improve inventory and working capital efficiency, enhance supply chain resilience and optimise the utilisation of its existing assets. Over the longer term, our Group will continue to explore complementary income opportunities and selectively pursue avenues for growth that are aligned with its capabilities and risk appetite. Through disciplined execution, prudent financial stewardship and continued focus on customer and stakeholder relationships, our Group aims to build a stronger, more resilient and sustainable business and create enduring value for its shareholders.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend my deepest appreciation to our fellow Board members, management team and employees for their unwavering dedication, resilience and commitment throughout FYE 2026. It was a year of significant transformation and transition for YB Ventures, and the collective efforts, perseverance and professionalism of our people have been instrumental in navigating the challenges encountered while laying the groundwork for the Group's next chapter of growth.

I would also like to express our sincere gratitude to our shareholders, customers, suppliers, business partners, bankers, professional advisers, government authorities and all other stakeholders for their continued trust, confidence and steadfast support. Your enduring partnership has been invaluable to our Group and remains an important source of strength as we navigate an evolving business landscape.

FYE 2026 marked a pivotal chapter in YB Ventures' journey as we took decisive steps to reshape our business and strengthen the foundations of our Group. As we look ahead, the Board remains committed to providing clear strategic direction, prudent oversight and effective governance as we continue to streamline our operations, sharpen our focus and position our Group for sustainable and profitable growth.

The journey ahead will undoubtedly present its share of challenges, but it will also bring new opportunities. With the dedication and resilience of our people, coupled with the continued confidence and support of our stakeholders, we are well positioned to move forward with greater focus and purpose.

As we embark on the next phase of our journey, the Board remains resolute in our commitment to building a stronger, more agile and resilient Group, while creating enduring and sustainable value for our shareholders and stakeholders over the long term.

Datuk Au Yee Boon
Executive Director

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

YB Ventures Berhad (“YB Ventures” or the “Company”) and its subsidiaries (collectively, the “Group”) present this Sustainability Statement (“Statement” or “SS 2026”) to provide an overview of the Group’s sustainability approach, initiatives and performance. The Statement adopts a holistic approach to business management by considering material economic, environmental and social risks and opportunities, together with their potential financial implications, in support of the Group’s long-term business resilience and sustainable value creation.

This Statement outlines the Group’s sustainability governance structure and approach to integrating responsible business practices into its operations. It also highlights the Group’s efforts to manage its environmental impact, fulfil its social responsibilities and address the needs and expectations of its stakeholders, including the communities in which it operates. Through these efforts, the Group seeks to uphold sound corporate governance and progressively strengthen its sustainability practices.

The Group is committed to integrating sustainability considerations into its business strategies, decision-making processes and day-to-day operations, taking into account the nature and scale of its business activities. Key focus areas include responsible sourcing, efficient resource utilisation, prudent business management and continuous engagement with customers, suppliers and other stakeholders to support long-term value creation.

During the financial year, the Group completed its operational restructuring following the cessation of tile manufacturing activities at its Kulai facility. The Group has since transitioned towards a tile trading and distribution model, whereby finished tiles are sourced from third-party suppliers and sold to customers. This transition represents a significant change in the Group’s operating model, with its sustainability priorities evolving accordingly to reflect its current business activities, supply chain relationships and operational requirements.

REPORTING STANDARDS AND GUIDELINES

This Statement has been prepared based on information available to the Group and in accordance with Paragraph 29, Part A of Appendix 9C and Practice Note 9 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), as well as the Sustainability Reporting Guide and Toolkit (3rd Edition) issued by Bursa Securities. In preparing this Statement, the Group has also made reference to other relevant international sustainability frameworks and standards, where applicable, to support its sustainability reporting practices.

REPORTING PERIOD

This SS 2026 covers the financial period from 1 July 2025 to 30 June 2026 (“FYE 2026”), unless otherwise stated. The prior-year information refers to the financial period from 1 July 2024 to 30 June 2025 (“FYE 2025”).

DATA COLLECTION

The performance data presented in this Statement is sourced from the Group’s internal records and is reviewed and verified by the respective business divisions and information owners, where applicable. The relevant information owners are responsible for maintaining adequate supporting documentation, including underlying records, definitions, calculation methodologies and relevant approvals, to ensure the accuracy, consistency, traceability and reliability of the information disclosed.

SUSTAINABILITY STATEMENT (CONT'D)

LIMITATIONS, EXCLUSIONS AND DISCLAIMERS

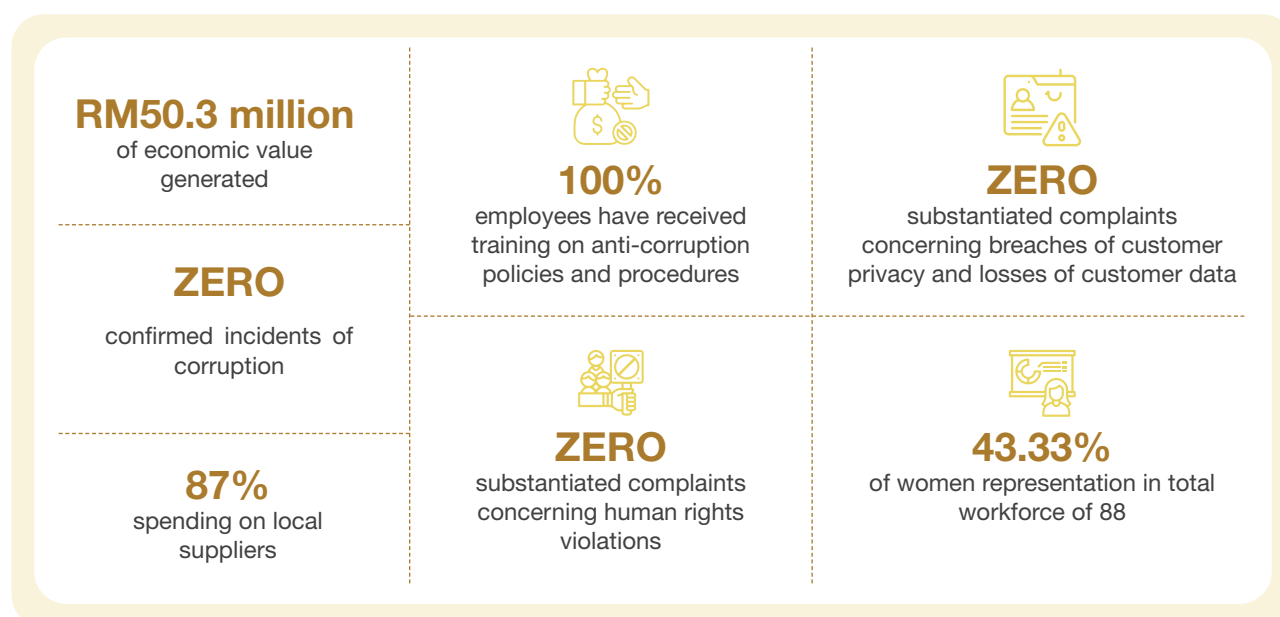
The Group acknowledges that challenges remain in collecting and consolidating data for certain sustainability indicators. The Group will continue to enhance its data tracking, monitoring and collection processes, where practicable, to improve the accuracy, consistency and completeness of sustainability information disclosed in future reporting periods.

This Statement reflects the Group's current sustainability practices, initiatives and performance based on information available at the time of preparation. As the Group has not established specific sustainability targets for certain areas, its focus remains on progressively improving sustainability data collection, monitoring and management practices in line with the nature and scale of its business operations. Any forward-looking statements contained in this Statement are based on current information, expectations and assumptions that the Group considers reasonable at the time of preparation. Such statements are subject to business risks, uncertainties and unforeseen circumstances, and actual outcomes may differ from those expressed or implied. Accordingly, readers are advised not to place undue reliance on these forward-looking statements.

STATEMENT OF ASSURANCE

This Statement has not been subjected to an independent external assurance process. Nevertheless, the information and data disclosed herein have been reviewed by the respective data owners and business divisions, where applicable, to support the accuracy, consistency and completeness of the information presented and to ensure that SS 2026 provides a fair representation of the Group's sustainability practices, initiatives and performance.

ESG HIGHLIGHTS AND ACHIEVEMENTS



SUSTAINABILITY GOVERNANCE

The Board of Directors ("Board") is responsible for establishing the Group's sustainability direction, fostering a culture of sustainability and overseeing the integration of sustainability considerations into the Group's business strategies and operations. For the FYE 2026, the Board's oversight takes into consideration the Group's transition to a tile trading and distribution business model following the cessation of manufacturing activities at its Kulai facility. Particular attention is given to material sustainability risks and opportunities arising from the Group's supply chain, customer relationships, and the management of its business operations.

SUSTAINABILITY STATEMENT (CONT'D)

The Board oversees material sustainability matters with the support of the relevant Board Committees, including the Audit Committee, where appropriate, and the senior management team. Senior management is responsible for implementing the Group's sustainability-related policies, practices and initiatives, monitoring relevant developments and reporting significant matters to the Board or the relevant Board Committees for review and consideration. The Group's business operations and sustainability-related risks and opportunities are reviewed periodically to inform decision-making and assess their potential implications over the short, medium and long term.

In discharging its sustainability oversight responsibilities, the Board is guided by the following key areas:

(a) Strategic Planning and Management

Integrating material sustainability considerations into the Group's business strategies, operational planning and decision-making processes;

(b) Stakeholder Engagement

Overseeing engagement with relevant stakeholders to understand their expectations, concerns and interests in relation to the Group's sustainability performance;

(c) Policies, Procedures and Training

Reviewing and updating relevant policies and procedures, where necessary, and promoting awareness through appropriate sustainability-related training and communication;

(d) Governance Structures and Processes

Establishing and continuously improving appropriate governance structures, accountability arrangements and processes to support effective sustainability management;

(e) Resource Allocation

Ensuring that adequate human, financial and other relevant resources are considered and allocated, where appropriate, to support the implementation of sustainability initiatives; and

(f) Performance Monitoring and Evaluation

Reviewing the progress and effectiveness of sustainability initiatives and assessing the extent to which the Group's sustainability practices are integrated into its business operations and contribute to its long-term resilience and value creation.

STAKEHOLDER ENGAGEMENT

The Group values open, transparent and constructive communication with its stakeholders and recognises the importance of fostering mutual trust, cooperation and understanding. In promoting accountability, the Group endeavours to conduct its business with integrity, ethical responsibility and due consideration for its operational, economic, environmental and social impacts.

To maintain stakeholder confidence, the Group is committed to upholding ethical business conduct and good corporate governance practices across its operations, in compliance with applicable laws, regulations and internal policies. The Group provides stakeholders with a channel through its corporate website to report suspected misconduct or unethical practices. Relevant policies, procedures and internal directives are reviewed and updated from time to time, where necessary, to reflect changes in business requirements and applicable regulatory developments.

The Group recognises stakeholder engagement as an integral component of its sustainability approach. Through various communication channels, the Group seeks to understand stakeholders' expectations, address their concerns and obtain feedback on matters relevant to its business operations and sustainability performance. The feedback received, where relevant, is considered in the Group's decision-making processes and the continuous improvement of its sustainability practices and initiatives.

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDERS	AREA OF INTEREST/ CONCERN	ENGAGEMENT APPROACHES	MATERIAL TOPICS
Shareholders / Investors	<ul style="list-style-type: none"> Business strategy Sustainable financial returns Corporate governance and regulatory Shareholder's value 	<ul style="list-style-type: none"> General meetings Annual reports Quarterly financial reports Bursa announcements Press releases Company's website 	<ul style="list-style-type: none"> Economic value generated Corporate governance and ethical business Regulatory compliance
Customers and Suppliers / Vendors	<ul style="list-style-type: none"> Product and service quality Timely delivery of products Payment terms and timeliness Fair and transparent procurement practices Product innovation 	<ul style="list-style-type: none"> Customer satisfaction survey and supplier evaluation form Customer and vendor service platforms, including phone calls and emails Face-to-face meetings Sales and technical support visits Feedback from industry suppliers 	<ul style="list-style-type: none"> Quality Assurance Customer satisfaction Procurement and supply chain Anti-Corruption
Employees	<ul style="list-style-type: none"> Career development and advancement Learning and development Health and safety Employee welfare and benefits Diversity and inclusivity 	<ul style="list-style-type: none"> Regular consultation and performance reviews Annual dinners Company emails and memorandum Regular department meetings Regular training and development 	<ul style="list-style-type: none"> Occupational Safety and Health Diversity and equal Opportunity Training and development Employee management
Regulators and Government Authorities	<ul style="list-style-type: none"> Compliance with laws and regulations Corporate Governance 	<ul style="list-style-type: none"> Submission of reports required under regulations Official announcements Seminars and trainings 	<ul style="list-style-type: none"> Regulatory compliance Anti-Corruption Employee management
Local Communities	<ul style="list-style-type: none"> Environmental and social well-being Community investment, development and impact 	<ul style="list-style-type: none"> Community outreach and development programs Briefing and trainings 	<ul style="list-style-type: none"> Community development Environmental management Human Rights and Labour Practices
Media	<ul style="list-style-type: none"> Business development and expansion Product and services 	<ul style="list-style-type: none"> Press releases and interviews Company websites Advertisements 	<ul style="list-style-type: none"> Engagement with internal and external communities Indirect economic impact

SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT

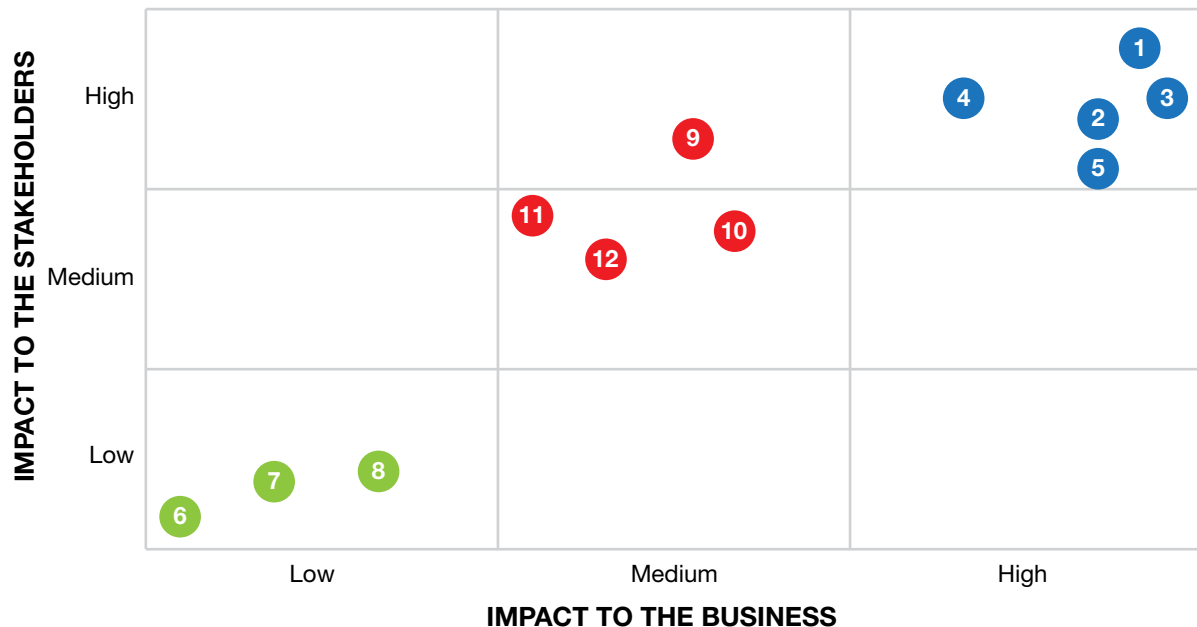
The Group recognises that material sustainability matters inform long-term business strategy and stakeholder relationships. They influence decision-making and reflect the economic, environmental and social context in which the Group operates.

The material assessment was conducted through a structured process involving key senior management. The process of determining material topics is outlined as follows:



For the FYE 2026, the Group reviewed the material sustainability matters identified in the preceding financial year in light of its transition from tile manufacturing to a tile trading and distribution business model. The review took into consideration the Group's current business activities, operating locations, supply chain, workforce and stakeholder expectations to ensure that the material sustainability matters remain relevant to the Group's evolving business operations and operating environment. The material sustainability matters identified following the review are presented in the matrix below.

MATERIALITY MATRIX



ECONOMIC		ENVIRONMENTAL		SOCIAL	
1.	Economic Value Generated	6.	Environmental Compliance	9.	Occupational Health And Safety
2.	Quality Assurance	7.	Water Management	10.	Training And Development
3.	Customer Satisfaction	8.	Waste Management	11.	Human Rights And Labour Practices
4.	Anti-Corruption			12.	Diversity And Equal Opportunities
5.	Operational Efficiency				

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

Following the completion of its operational restructuring, the Group's principal business activity focuses on the trading and distribution of finished tiles sourced from third-party suppliers, including overseas and local suppliers. The Group's business performance and resilience depend on product availability, supplier relationships, product quality, cost competitiveness and reliable delivery. The Group seeks to manage its business responsibly to support operational efficiency, maintain stakeholder confidence and promote sustainable long-term value creation.

- **Products and Services**

The Group purchases finished tiles from third-party suppliers for distribution to customers. The Group recognises the importance of ensuring that its products meet applicable regulatory requirements and customer specifications.

The Group seeks to provide accurate and appropriate product information, including descriptions, dimensions, finishes and relevant installation guidance, where applicable, to support informed purchasing decisions and manage customer expectations. Product-related representations and claims are expected to be accurate and appropriately supported. These practices reflect the Group's commitment to responsible business conduct, product integrity and customer satisfaction.

- **Quality Assurance and Customer Satisfaction**

Quality and customer satisfaction remain important considerations in the Group's business operations and decision-making. The Group values open communication with customers to understand their requirements, address concerns and identify opportunities to improve its products and services.

In its tile trading and distribution activities, quality management focuses on supplier specifications, product condition upon receipt, appropriate storage and handling, and the identification and resolution of issues relating to breakage, damage, colour or batch variations, incorrect specifications, product returns and delivery arrangements, where applicable. These practices are intended to minimise product-related issues, manage customer expectations and support consistent service delivery.

The Group recognises that customer feedback provides valuable insights into product quality and service performance. The Group endeavours to address customer feedback and complaints through appropriate follow-up and resolution measures, where necessary, to strengthen customer confidence, maintain business relationships and support continuous improvement.

- **Supply Chain Management**

Effective supply chain management is essential to the Group's business resilience, particularly in ensuring the availability, quality, cost competitiveness and timely delivery of finished tiles. Following the cessation of manufacturing activities at its Kulai facility, the Group relies on third-party manufacturers and suppliers, including overseas and local suppliers, to source finished products for distribution. Logistics providers and other relevant service providers also play an important role in supporting the Group's business operations.

The Group seeks to establish and maintain business relationships with reliable suppliers, taking into consideration relevant factors such as product quality, pricing, delivery performance, reliability and compliance with applicable requirements. Where practicable, the Group considers sourcing from local suppliers to support supply chain flexibility and operational efficiency.

The Group recognises the importance of responsible procurement and appropriate supplier due diligence in managing potential economic, environmental, social and governance risks across its supply chain. The Group endeavours to assess relevant suppliers and service providers in accordance with its business requirements and established procedures, where applicable, to support responsible business practices and minimise potential supply chain disruptions.

The Group also expects its suppliers and service providers to comply with applicable environmental, occupational safety and health, labour and other relevant legal requirements in their respective operations. Where appropriate, the Group communicates its expectations and engages with relevant business partners to promote awareness of responsible practices and facilitate the identification and management of potential risks. These efforts support the Group's commitment to ethical business conduct, supply chain resilience and the continuous improvement of its sustainability practices.

SUSTAINABILITY STATEMENT (CONT'D)

GOVERNANCE

Corporate governance and business ethics form the foundation of the Group's organisational values and business practices. The Group is committed to upholding the principles of transparency, accountability, integrity and responsible decision-making through an effective governance framework that supports compliance with applicable laws and regulatory requirements. These principles guide the Group's business conduct and decision-making processes, strengthen stakeholder confidence and contribute to long-term business resilience and sustainable value creation.

The Board plays a key role in setting the Group's strategic direction, overseeing governance policies and promoting a culture of ethical conduct and accountability throughout the organisation. The Group's governance framework incorporates oversight of key sustainability-related matters, including anti-bribery and anti-corruption, regulatory compliance and stakeholder engagement. These principles are reflected in the Group's purchasing, sales, supplier selection and engagement of logistics and other service providers. Through ongoing monitoring and engagement with relevant stakeholders, the Group seeks to ensure that its governance practices remain appropriate to its business operations and responsive to emerging risks and regulatory developments.

The Board is committed to upholding sound corporate governance practices in accordance with the applicable Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the principles and practices of the Malaysian Code on Corporate Governance ("MCCG"), where applicable. Further details of the Group's corporate governance practices are set out in the Corporate Governance Overview Statement in this Annual Report.

- **Code of Conduct**

The Group promotes ethical business conduct through its Code of Conduct ("Code"), which provides guidance on the standards of behaviour and professional conduct expected of its employees. The Code emphasises integrity, honesty, accountability and responsible decision-making in the discharge of duties and the conduct of business activities. Through the implementation and communication of these principles, the Group seeks to foster an ethical workplace culture, maintain stakeholder confidence and support responsible and sustainable business practices.

- **Anti-Bribery and Anti-Corruption Policy**

The Group recognises that bribery and corruption may undermine fair business practices, damage stakeholder confidence and expose the Group to legal, financial and reputational risks. The Group's Anti-Bribery and Anti-Corruption ("ABAC") Policy establishes the principles and procedures for preventing, identifying and reporting suspected bribery and corruption, and for addressing potential misconduct in accordance with applicable requirements, including the Malaysian Anti-Corruption Commission Act 2009.

The Policy supports the Group's commitment to conducting its business with integrity and prohibits bribery and corrupt practices in dealings with customers, suppliers, logistics providers and other business partners. Relevant controls may include appropriate due diligence on third parties, the identification and assessment of corruption risks, clear reporting channels and measures to address suspected breaches, in accordance with the Group's established procedures.

The Group communicates its ABAC requirements to employees during onboarding to promote awareness of their responsibilities and encourage vigilance against bribery, corruption and other forms of misconduct. During FYE 2026, 100% of the Group's employees received anti-corruption training, demonstrating the Group's continued emphasis on awareness and ethical business conduct.

- **Whistleblowing Policy and Procedures**

The Group maintains a Whistleblowing Policy and Procedures to provide employees and relevant stakeholders with a channel to report suspected misconduct, unethical behaviour, fraud, corruption or other irregularities. The policy is intended to encourage the reporting of genuine concerns in good faith and to support the timely identification and appropriate handling of potential breaches of ethical standards and internal policies.

SUSTAINABILITY STATEMENT (CONT'D)

Reports may be submitted through the designated reporting channels as indicated below to the Audit Committee for review and further action, in accordance with the Whistleblowing Policy and Procedures. The Group seeks to handle reports confidentially, subject to applicable legal requirements and the need to conduct appropriate investigations. Where necessary, appropriate follow-up and remedial measures are taken to address substantiated concerns and strengthen the Group's governance and internal control practices.

By Email	whistleblow@promail.my
By Post	<p>To : The Audit Committee of YB Ventures Berhad</p> <p>Address : Unit 702, Level 7, Tropicana Gardens Office Tower, No. 2A, Persiaran Surian, 47810 Petaling Jaya, Selangor.</p>

The Whistleblowing Policy and Procedures ensures whistleblower protection, reinforcing a culture of transparency and accountability. No whistleblowing incidents were reported in FYE 2026.

The Whistleblowing Policy and Procedures is available in our corporate website at www.ybventures.com.

ENVIRONMENTAL

The Group recognises that environmental sustainability is an important consideration in managing its business operations and contributing to long-term sustainable development. The Group is committed to responsible environmental stewardship by managing its environmental footprint and incorporating practical environmental considerations into its business activities, where feasible. Key areas of focus include compliance with applicable environmental requirements, responsible energy and water consumption, and effective waste management.

Following the cessation of manufacturing activities at the Group's Kulai facility, its environmental priorities have evolved to reflect its current tile trading and distribution business model. The Group continues to seek opportunities to improve resource efficiency, minimise waste generation and promote environmentally responsible practices within its operations, taking into consideration the nature and scale of its business activities.

- Compliance with Environmental Laws**

Compliance with applicable environmental laws and regulations remains an important aspect of the Group's environmental management approach. The Group is committed to complying with relevant environmental requirements in all material respects and to managing potential environmental impacts arising from its business activities.

Following the cessation of manufacturing operations, the Group's environmental management considerations are primarily associated with its current business activities, including the handling and storage of finished tiles, packaging materials and other operational waste. The Group seeks to implement appropriate practices and controls to manage these activities responsibly and to address relevant environmental risks, where applicable. The Group also monitors applicable regulatory requirements and endeavours to maintain appropriate awareness of its environmental responsibilities to support continuous improvement in environmental management.

- Energy Management**

The Group recognises the importance of energy efficiency in managing resource consumption and reducing its environmental footprint. Previously, the Group's tile manufacturing operations consumed substantial amounts of energy, primarily due to energy-intensive processes involving the compression and high-temperature firing of raw materials. Following the cessation of manufacturing activities at the Kulai facility, these energy-intensive processes are no longer undertaken by the Group.

The Group's current energy consumption primarily relates to electricity used at its premises for lighting, office equipment and other operational requirements, as well as fuel consumed by vehicles and equipment, where applicable. Although the Group's energy requirements have changed following the operational restructuring, it remains mindful of the importance of responsible energy use.

SUSTAINABILITY STATEMENT (CONT'D)

The Group seeks to promote energy efficiency through prudent electricity consumption, encouraging employees to switch off lights and electrical equipment when not in use, and adopting practical energy-saving measures where feasible. These efforts support the Group's broader commitment to responsible resource utilisation.

- **Waste Management**

The Group recognises that effective waste management is important in minimising environmental impacts and promoting responsible resource utilisation. The Group endeavours to reduce waste generation and encourage the responsible handling, reuse and recycling of materials, where practicable, in accordance with the principles of a circular economy.

During its former manufacturing operations, the Group generated waste materials including greenware tiles, packaging materials, used oils and wastewater. Following the cessation of manufacturing activities, the Group's current tile trading and distribution operations generate different types and quantities of waste, which may include packaging materials, pallets, broken or damaged tiles, product returns and general office waste. The Group seeks to manage these materials responsibly to minimise unnecessary disposal and reduce potential environmental impacts.

The Group's waste management practices include the following, where applicable:

1. **Proper Handling and Management of Scheduled Waste**

The Group recognises the importance of proper handling, storage, documentation and disposal of scheduled waste in accordance with applicable environmental requirements. Where scheduled waste is generated, the Group endeavours to ensure that it is managed in accordance with the Environmental Quality Act 1974 and the Environmental Quality (Scheduled Wastes) Regulations 2005, including the engagement of appropriately licensed or authorised service providers, where required.

2. **Appropriate Waste Collection and Disposal**

The Group seeks to ensure that waste generated from its operations is collected and managed through appropriate channels. Where scheduled waste is generated, the Group engages qualified waste management contractors in accordance with applicable regulatory requirements. Non-scheduled waste, including packaging materials, pallets and damaged tiles, is managed through suitable collection, recycling or disposal arrangements, where practicable.

3. **Promoting the 5R Principles**

The Group encourages the application of the 5R principles - Refuse, Reduce, Reuse, Repurpose and Recycle - to promote responsible resource consumption and minimise waste generation.

During its former manufacturing operations, certain materials, such as used engine and hydraulic oils, were reused for machinery lubrication, while greenware scraps were recycled for use in tile production. Following the cessation of manufacturing activities, the Group continues to recognise the relevance of the 5R principles to its current operations by encouraging the reduction of unnecessary packaging, the reuse of suitable materials and the recycling of recyclable waste, where feasible. These practices support the Group's ongoing efforts to improve resource efficiency and manage waste responsibly.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL

• Occupational Health and Safety

Safeguarding the health, safety and well-being of employees is an important priority for the Group. The Group recognises that maintaining a safe and healthy working environment is essential to employee welfare, operational continuity and responsible business management. Accordingly, the Group seeks to promote a workplace safety culture through appropriate preventive measures, employee awareness and compliance with applicable occupational health and safety requirements.

The Group is committed to complying with the applicable requirements of the Occupational Safety and Health Act 1994, including the Occupational Safety and Health (Amendment) Act 2022, and other relevant occupational safety and health regulations. During the financial year under review, the Group continued to emphasise workplace safety with the aim of strengthening employees' understanding of workplace hazards, safe working practices and their respective safety responsibilities.

The Group remains committed to reinforcing workplace safety awareness, reviewing relevant safety procedures and promoting a safer working environment across its operations.

• Diversity and Equal Opportunity

The Group acknowledges that diversity, equity and equal opportunity are important in fostering an inclusive workplace and supporting long-term organisational resilience. The Group values the different perspectives, experiences and capabilities of its workforce and believes that a respectful and inclusive working environment contributes to effective collaboration, sound decision-making and sustainable business development.

The Group is committed to promoting fair employment practices and treating employees with dignity and respect, regardless of gender, age, nationality, ethnicity, background or other personal characteristics. The Group seeks to provide equal opportunities in recruitment, training, career development and other employment-related matters, based on relevant qualifications, competencies, experience and job requirements. The Group also endeavours to prevent workplace discrimination and promote a professional working environment where employees are valued for their contributions.

In line with its commitment to responsible business conduct and good corporate governance, the Group strives to maintain employment practices that are consistent with applicable labour laws and relevant governance principles, including those relating to diversity and inclusion under the Malaysian Code on Corporate Governance ("MCCG"), where applicable. Through these efforts, the Group aims to foster a fair, respectful and inclusive workplace that supports employee well-being and the Group's evolving business needs.

Board diversity

Female representation on the Board stood at 25% as at the end of FYE 2026, which was below the 30% target recommended under the MCCG. The Board recognises the importance of gender diversity in strengthening Board effectiveness and bringing a broader range of perspectives to strategic deliberations and decision-making. Accordingly, the Board will continue to take gender diversity into consideration in its succession planning and future Board appointments, with a view to achieving at least 30% female representation, while ensuring that appointments are based on the relevant skills, experience, qualifications and competencies required to support the Group's long-term strategic objectives.

Male	Female
75%	25%
Age Group	
Under 30	0%
30 to 50	50%
Above 50	50%

SUSTAINABILITY STATEMENT (CONT'D)

Employee diversity

As of 30 June 2026, our workforce consists of 88 employees from various backgrounds, which is categorised as follows:

Executive	Non-Executive
55.56%	44.44%
Male	Female
56.67%	43.33%
Age Group	
Under 30	11.11%
30 to 50	48.89%
Above 50	40.00%

- Employee Benefits and Compensation**

The Group is committed to providing fair and appropriate remuneration and employee benefits in accordance with applicable labour laws and statutory requirements. The Group fulfils its statutory obligations relating to employee remuneration and contributions, including contributions to the Employees Provident Fund ("EPF"), Social Security Organisation ("SOCSO") and other applicable statutory schemes.

In addition to statutory entitlements, the Group provides various employee benefits to support employees' welfare and well-being. These benefits include medical and healthcare subsidies, travelling allowances, group hospitalisation and personal accident insurance coverage, as well as leave entitlements in accordance with the Group's policies and applicable requirements. Through these practices, the Group aims to support employee well-being and maintain a fair and supportive working environment.

- Training and Development**

The Group ensures that continuous learning and skills development are essential to enhancing employee capabilities, supporting operational effectiveness and fostering long-term organisational growth. The Group endeavours to equip employees at all levels with the relevant knowledge, skills and competencies required to perform their responsibilities effectively and adapt to evolving business needs. The Human Resources Department oversees the coordination and implementation of training initiatives, while employees are encouraged to take an active role in their professional development by participating in relevant learning and skills enhancement opportunities.

Moving forward, the Group will continue to explore opportunities to strengthen employee learning and development initiatives, with the aim of progressively increasing average training hours per employee annually. Through these efforts, the Group seeks to foster a culture of continuous improvement, enhance workforce capabilities and support the achievement of its business objectives.

SUSTAINABILITY STATEMENT (CONT'D)

MOVING FORWARD

Moving forward, the Group remains committed to strengthening its sustainability practices in line with its current business activities in tile trading and distribution. The Group will continue to focus on responsible business conduct, product quality, employee well-being, environmental management and meaningful stakeholder engagement, while progressively enhancing its sustainability data collection and monitoring capabilities.

The Group's key priorities include the following:

- **Enhancing Sustainability Data Management:**

Continue to improve the collection, monitoring and documentation of sustainability-related data across the current reporting boundary to support the accuracy, consistency and reliability of future disclosures.

- **Improving Energy and Emissions Monitoring**

Monitor energy consumption and greenhouse gas emissions associated with the Group's relevant business operations, including office activities, vehicle use and logistics, where applicable, and identify practical opportunities to improve resource efficiency and reduce environmental impacts.

- **Promoting Responsible Energy and Waste Management**

Continue to explore practical measures to manage energy consumption and minimise waste arising from tile packaging, damaged products and day-to-day business operations. The Group will also encourage appropriate reuse and recycling practices, where practicable.

- **Strengthening Occupational Health and Safety**

Continue to reinforce workplace safety awareness, review relevant safety procedures and implement appropriate preventive and corrective measures, with the aim of achieving zero work-related fatalities and providing a safer working environment for employees.

Through these ongoing efforts, the Group aims to progressively enhance its sustainability performance, strengthen accountability and integrate responsible business practices into its operations while supporting its long-term business resilience and sustainable value creation.

SUSTAINABILITY STATEMENT

(CONT'D)

YB VENTURES BERHAD

BMLR Transition Period

Date & Time: 2026-10-28_12:31:55

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Governance - Business Ethics and Compliance	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	100.00	100.00	To ensure all employees - attend training on anti-corruption	No assurance	N/A
Governance - Business Ethics and Compliance	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	100.00	100.00	To ensure all employees - attend training on anti-corruption	No assurance	N/A
Governance - Business Ethics and Compliance	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Non-Executive/Technical Staff	Percentage	100.00	100.00	To ensure all employees - attend training on anti-corruption	No assurance	N/A
Governance - Business Ethics and Compliance	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - General Workers	Percentage	100.00	100.00	To ensure all employees - attend training on anti-corruption	No assurance	N/A
Governance - Business Ethics and Compliance	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	N/A	No assurance	N/A
Governance - Business Ethics and Compliance	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	N/A	No assurance	N/A
Social - Community Development	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00	0.00	N/A	No assurance	N/A

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SUSTAINABILITY STATEMENT
(CONT'D)YB VENTURES BERHAD
BMLR Transition PeriodDate & Time: 2026-10-28_12:31:55
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Social - Community Development	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	0	N/A	No assurance	N/A
Social - Employee Management	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	0.00	N/A	No assurance	N/A
Social - Employee Management	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Management Between 30 - 50	Percentage	3.74	12.22	N/A	No assurance	N/A
Social - Employee Management	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Management Above 50	Percentage	3.74	11.11	N/A	No assurance	N/A
Social - Employee Management	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Executive Under 30	Percentage	1.50	6.67	N/A	No assurance	N/A

SUSTAINABILITY STATEMENT

(CONT'D)

YB VENTURES BERHAD

BMLR Transition Period

Date & Time: 2026-10-28_12:31:55

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Social - Employee Management	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Executive Between 30 - 50	Percentage	4.87	6.67	N/A	No assurance	N/A
	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Executive Above 50	Percentage	1.50	778	N/A	No assurance	N/A
Social - Employee Management	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Non-executive/Technical Staff Under 30	Percentage	0.00	3.33	N/A	No assurance	N/A
	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Non-executive/Technical Staff Between 30 - 50	Percentage	3.00	22.22	N/A	No assurance	N/A

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SUSTAINABILITY STATEMENT
(CONT'D)YB VENTURES BERHAD
BMLR Transition PeriodDate & Time: 2026-10-28_12:31:55
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Social - Employee Management	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Non-executive/Technical Staff Above 50	Percentage	1.50	14.44	N/A	No assurance	N/A
Social - Employee Management	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - General Workers Under 30	Percentage	1723	111	N/A	No assurance	N/A
Social - Employee Management	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - General Workers Between 30 - 50	Percentage	3783	778	N/A	No assurance	N/A
Social - Employee Management	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - General Workers Above 50	Percentage	25.09	667	N/A	No assurance	N/A

SUSTAINABILITY STATEMENT

(CONT'D)

YB VENTURES BERHAD

BMLR Transition Period

Date & Time: 2026-10-28_12:31:55

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Social - Employee Management	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Management Male	Percentage	3.74	14.44	N/A	No assurance	N/A
	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Management Female	Percentage	3.74	8.89	N/A	No assurance	N/A
Social - Employee Management	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Executive Male	Percentage	1.50	5.56	N/A	No assurance	N/A
	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Executive Female	Percentage	6.37	15.55	N/A	No assurance	N/A

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SUSTAINABILITY STATEMENT
(CONT'D)YB VENTURES BERHAD
BMLR Transition PeriodDate & Time: 2026-10-28_12:31:55
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Social - Employee Management	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Non-executive/Technical Staff Male	Percentage	4.49	2111	N/A	No assurance	N/A
Social - Employee Management	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Non-executive/Technical Staff Female	Percentage	0.00	18.89	N/A	No assurance	N/A
Social - Employee Management	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - General Workers Male	Percentage	65.18	15.56	N/A	No assurance	N/A
Social - Employee Management	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - General Workers Female	Percentage	14.98	0.00	N/A	No assurance	N/A
Social - Employee Management	Bursa C3(b) Percentage of directors by gender and age group - Male	Percentage	60.00	75.00	N/A	No assurance	N/A

SUSTAINABILITY STATEMENT

(CONT'D)

YB VENTURES BERHAD

BMLR Transition Period

Date & Time: 2026-10-28_12:31:55

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Social - Employee Management	Bursa C3(b) Percentage of directors by gender and age group - Female	Percentage	40.00	25.00	N/A	No assurance	N/A
Social - Employee Management	Bursa C3(b) Percentage of directors by gender and age group - Under 30	Percentage	0.00	0.00	N/A	No assurance	N/A
Social - Employee Management	Bursa C3(b) Percentage of directors by gender and age group - Between 30 - 50	Percentage	60.00	50.00	N/A	No assurance	N/A
Social - Employee Management	Bursa C3(b) Percentage of directors by gender and age group - Above 50	Percentage	40.00	50.00	N/A	No assurance	N/A
Environmental - Energy Management	Bursa C4(a) Total energy consumption	Megawatt	12,13782	312414	N/A	No assurance	N/A
Social - Occupational Health and Safety	Bursa C5(a) Number of work-related fatalities	Number	0	0	To achieve zero work-related fatalities	No assurance	N/A
Social - Occupational Health and Safety	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	2.85	N/A	No assurance	N/A
Social - Occupational Health and Safety	Bursa C5(c) Number of employees trained on health and safety standards	Number	20	48	N/A	No assurance	N/A
Social - Employee Management	Bursa C6(a) Total hours of training by employee category - Management	Hours	21	32	N/A	No assurance	N/A

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SUSTAINABILITY STATEMENT
(CONT'D)YB VENTURES BERHAD
BMLR Transition PeriodDate & Time: 2026-10-28_12:31:55
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Social - Employee Management	Bursa C6(a) Total hours of training by employee category - Executive	Hours	98	8	N/A	No assurance	N/A
Social - Employee Management	Bursa C6(a) Total hours of training by employee category - Non-executive/Technical Staff	Hours	42	0	N/A	No assurance	N/A
Social - Employee Management	Bursa C6(a) Total hours of training by employee category - General Workers	Hours	294	0	N/A	No assurance	N/A
Social - Employee Management	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00	N/A	No assurance	N/A
Social - Employee Management	Bursa C6(c) Total number of employee turnover by employee category - Management	Number	7	8	N/A	No assurance	N/A
Social - Employee Management	Bursa C6(c) Total number of employee turnover by employee category - Executive	Number	10	9	N/A	No assurance	N/A
Social - Employee Management	Bursa C6(c) Total number of employee turnover by employee category - Non-executive/Technical Staff	Number	28	91	N/A	No assurance	N/A
Social - Employee Management	Bursa C6(c) Total number of employee turnover by employee category - General Workers	Number	48	119	N/A	No assurance	N/A

SUSTAINABILITY STATEMENT

(CONT'D)

YB VENTURES BERHAD

BMLR Transition Period

Date & Time: 2026-10-28_12:31:55

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Social - Employee Management	Bursa C6(d) Number of substantial complaints concerning human rights violations	Number	0	0	To maintain zero incident of human rights violations	No assurance	N/A
Economic - Supply Chain Management	Bursa C7(a) Proportion of spending on local suppliers	Percentage	84.00	87.00	N/A	No assurance	N/A
Governance - Cybersecurity and Data Protection	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	To achieve zero substantiated complaints	No assurance	N/A
Environmental - Water Management	Bursa C9(a) Total volume of water used	Megalitres	12.647	9.116	N/A	No assurance	N/A
Environmental - Waste Management	Bursa C10(a) Total waste generated	Metric tonnes	760.79	350.20	N/A	No assurance	N/A
Environmental - Waste Management	Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	102.79	214.35	N/A	No assurance	N/A
Environmental - Waste Management	Bursa C10(a)(ii) Total waste directed from disposal	Metric tonnes	658.00	135.85	N/A	No assurance	N/A
Environmental - Emission Management	Bursa C11(a) Scope 1 emissions in tonnes CO2e	Metric tonnes	14,137.32	2,987.32	N/A	No assurance	N/A
Environmental - Emission Management	Bursa C11(b) Scope 2 emissions in tonnes CO2e	Metric tonnes	9,506.26	2,311.86	N/A	No assurance	N/A
Environmental - Emission Management	Bursa C11(c) Scope 3 emissions in tonnes CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	564.77	637.40	N/A	No assurance	N/A

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CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**Board**") of YB Ventures Berhad ("**YB Ventures**" or the "**Company**") regards sound corporate governance as the foundation for ethical leadership, effective oversight and the creation of sustainable value. In the Board's view, a well-governed organisation is more resilient, more accountable and transparent, makes better decisions, and is better placed to earn and keep the trust of shareholders, investors and other stakeholders.

This Corporate Governance Overview Statement ("**the Statement**") covers the financial year ended 30 June 2026 ("**FYE 2026**"). It is prepared pursuant to Paragraph 15.25 of the Main Market Listing Requirements ("**MMLR**") and summarises how the Company has applied the principles and practices of the Malaysian Code on Corporate Governance 2021 ("**MCCG**") during the financial year under review.

This Statement should read alongside with the Company's Corporate Governance Report 2026 ("**CG Report**"), which explains in detail how each Practice of the MCCG has been applied, as well as the Audit Committee Report, the Statement on Risk Management and Internal Control, the Sustainability Statement and the other governance disclosures in this Annual Report.

The CG Report can be viewed on the Company's website at www.ybventures.com and has been released through the website of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

CORPORATE GOVERNANCE FRAMEWORK

An integrated governance framework is in place to support effective oversight, accountability and responsible decision-making throughout the Group. It sets out the respective roles and responsibilities of the Board, the Board Committees and Management, and ensures that suitable controls, reporting lines and delegated authorities are maintained.

The framework is structured around the three (3) key principles of the MCCG set out below:

- (a) Principle A : Board Leadership and Effectiveness
- (b) Principle B : Effective Audit and Risk Management
- (c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART 1 - BOARD RESPONSIBILITIES

Roles and Responsibilities of the Board and the Board Committees

The Board is collectively responsible for the stewardship, strategic direction, performance and long-term sustainability of the Group. In carrying out its fiduciary duties, the Board acts in the best interests of the Company, having regard to the interests of shareholders and other stakeholders.

Among others, the principal responsibilities of the Board are:

- setting the Group's vision, strategic objectives and long-term business direction, and providing strategic leadership;
- considering and approving the Group's business plans, annual budgets, major investments, significant corporate proposals and key policies;
- monitoring the Group's financial and operational performance, together with the effectiveness of its governance, risk management and internal control framework;
- safeguarding the integrity of the Group's financial reporting and ensuring compliance with applicable laws, regulations and regulatory requirements;
- overseeing succession planning for the Board and Senior Management so that leadership continuity is maintained; and
- upholding high standards of corporate governance, ethical business conduct, sustainability and effective engagement with stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

To support effective governance and operational efficiency, the Board is assisted by three (3) Board Committees:

- (a) Audit Committee (“**AC**”)
- (b) Nomination Committee (“**NC**”)
- (c) Remuneration Committee (“**RC**”)

Each Committee functions under Terms of Reference approved by the Board and provides focused oversight and recommendations in its own area of responsibility. Delegation to the Committees does not diminish the Board's ultimate accountability for all decisions taken on behalf of the Company.

During the financial year under review, the Board's attention was directed mainly at matters affecting the Group's strategic direction, financial performance, operational resilience and corporate governance. In line with the matters reserved for the Board under the Board Charter, the Board deliberated and approved, among others, the cessation of the manufacturing operations of Yi-Lai Industry Berhad, the quarterly financial results and audited financial statements, the Directors' fees and benefits, the re-election of Directors and the Group's corporate governance disclosures, and considered the internal audit findings reported through the AC.

Responsibilities of the Chairman

The Chairman leads the Board, ensures that it discharges its responsibilities effectively, and guides the Board in adopting and implementing good corporate governance practices within the Company.

The Chairmen of the respective Board Committees report to the Board on the key matters deliberated at their Committee meetings and, where required, table recommendations for the Board's approval.

The Board is mindful of Practice 1.4 of the MCCG, which recommends that the Chairman of the Board should not be a member of the Board Committees, and of the risk of self-review that may impair the objectivity of the Chairman and the Board when considering the observations and recommendations of the Board Committees.

Nevertheless, in view of the present composition of the Board and the limited number of Independent Non-Executive Directors available to meet the committee composition requirements of the MMLR, the Chairman also serves as a member of the AC and NC. The Board considers that his participation provides effective oversight and strategic input in areas critical to the Group's governance and business direction, and promotes alignment and coordination between the Board and the Board Committees.

Each of these two Committees includes two (2) other Independent Non-Executive Directors, and all Committee decisions and recommendations are subject to the approval of the full Board, so that no individual Director, including the Chairman, dominates the decision-making process. The Board will review this arrangement periodically, and when its composition permits, with a view to applying Practice 1.4 and achieving the intended outcomes of the MCCG.

Separation Role between Chairman and Executive Director

In line with the MCCG, the positions of Chairman and Executive Director are held by different individuals.

The roles and responsibilities of the Chairman and the Executive Directors are clearly separated to maintain a proper balance of power and authority. The Chairman, who is also the Independent Non-Executive Director, is responsible for the leadership, conduct and governance of the Board and for ensuring that appropriate procedures and processes are in place for the effective conduct of the Board's business. The Executive Directors are responsible for managing the Group's business and operations and for developing and implementing the Board's policies, decisions and strategies. They are supported by a management team comprising the divisional heads, which reports to the Executive Directors and to the Board as a whole.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Board Charter

The Board Charter adopted by the Board is the principal governance document setting out the Board's roles, responsibilities, authority and governance practices. It provides a clear framework within which the Board discharges its duties and promotes the consistent application of sound corporate governance practices across the Group.

The objectives of the Board Charter are:-

- to enable the Board to give strategic guidance to, and exercise effective oversight over, Management;
- to define the roles and responsibilities of the Board members and Management, thereby supporting their accountability to the Company and its shareholders;
- to maintain a balance of authority such that no individual Director or group of Directors holds unfettered powers; and
- to assist the Board in evaluating its own performance and that of individual Directors.

The Board Charter can be accessed on the Company's corporate website at www.ybventures.com.

Qualified and Competent Company Secretaries

The Company Secretaries are integral to the effective functioning of the Board and its Committees. They facilitate sound Board processes, promote good corporate governance practices and help ensure compliance with applicable statutory and regulatory requirements.

The Company Secretaries are qualified to act as company secretaries under the Companies Act 2016 and have the knowledge, experience and competence required to discharge their duties in accordance with applicable laws and regulatory requirements. They are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).

Working closely with the Chairman, the Board Committees and Management, the Company Secretaries plan the annual calendar of Board and Board Committee meetings, prepare the agendas, coordinate the timely circulation of meeting papers, and ensure that deliberations, decisions and resolutions are accurately recorded and properly kept. They also serve as a channel of communication between the Board, the Board Committees and Management, supporting informed decision-making and the timely implementation of Board decisions.

To remain effective in supporting and advising the Board, the Company Secretaries attend continuous professional development programmes and keep themselves updated on developments in company law, securities regulations and corporate governance practices.

Board Meetings and Supply of Information to the Board

Board meetings are held at regular intervals during the financial year according to a schedule fixed in advance, so that matters reserved for the Board are considered in a timely manner. Additional meetings are called as and when circumstances require.

Under the MMLR, each Director must attend at least 50% of the Board meetings held in a financial year. Five (5) Board meetings were held during the FYE 2026, and the attendance of the Directors was 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 Dr. Gan Chow Tee	5/5	100%
Chua Ya Ting (Resigned on 10 April 2026)	4/4	100%
Koh Beng San (Appointed on 7 July 2026)	Not applicable	Not applicable

All Directors met the minimum attendance requirement of the MMLR. The Board is pleased with the full attendance and active participation of the Directors during the financial year, which reflect their commitment to their fiduciary duties and to contributing effectively to the Board's deliberations and decisions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Access to Information and Advice

Timely access to relevant, accurate and complete information is essential for the Board to discharge its responsibilities and exercise informed judgement. Meeting agendas, reports and supporting papers are therefore circulated to Directors at least seven (7) days before each Board and Board Committee meeting, giving them sufficient time to review the materials and prepare for meaningful deliberation.

Apart from the meeting papers, Management regularly updates the Board on the Group's financial performance, operational developments, corporate proposals, risk management, regulatory matters and other significant issues. Directors may at any time seek further information, clarification or explanation from Management to support informed discussion and effective decision-making.

Senior Management and external professional advisers are invited to Board and Board Committee meetings, where appropriate, to offer additional insight, professional advice and technical expertise on the matters being considered.

All Directors have unrestricted access to the advice and services of the Company Secretaries on corporate governance matters, Board procedures and compliance with applicable laws and regulatory requirements.

The Board and the Board Committees may also seek independent professional advice at the Company's expense, where necessary, in the furtherance of their duties.

Good Business Conduct and Corporate Culture

The Board seeks to build a corporate culture grounded in integrity, ethical conduct, accountability and transparency. In support of these values, the Board has put in place policies and practices that encourage ethical behaviour, responsible decision-making and compliance with applicable laws and regulatory requirements across the Group.

The principal governance policies of the Company are as follows:

- **Directors' Fit and Proper Policy** - Sets out the criteria and assessment framework applied in the appointment, re-election and re-appointment of Directors and key Senior Management, having regard to their integrity, competence, experience, character and ability to discharge their responsibilities effectively.
- **Code of Conduct for Directors** - Prescribes the standards of integrity, professionalism and ethical behaviour expected of Directors in performing their duties, including the handling of conflicts of interest, the duty of confidentiality and compliance with applicable laws and regulations.
- **Whistleblowing Policy and Procedures** - Offers employees and stakeholders a secure and confidential channel to report genuine concerns about misconduct, unethical behaviour, fraud or breaches of applicable laws, regulations and the Group's policies, with appropriate safeguards to protect whistleblowers who report in good faith.

Taken together, these policies promote high standards of integrity, ethical conduct and accountability across the Group and reinforce a culture of compliance and responsible business practice.

These policies are reviewed by the Board from time to time so that they stay relevant, effective and aligned with changing regulatory requirements and recognised corporate governance best practices. The relevant policies are published on the Company's corporate website at www.ybventures.com.

Directors' Training and Development

Continuous professional development enables Directors to discharge their fiduciary duties and responsibilities effectively and to keep pace with emerging business trends, regulatory changes, corporate governance developments and industry matters.

As required by Bursa Securities, all the Directors have completed the Mandatory Accreditation Programmes, which provide a fundamental understanding of their roles, responsibilities and regulatory obligations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

During the FYE 2026, the training programmes and seminars attended by the Directors were as follows:

Name	Description
Dato' Sri Tajudin Bin Md Isa	<ul style="list-style-type: none"> Protecting Your Organisation from Financial Crimes : Is Your Board Aligned With AMLA?
Datuk Au Yee Boon	<ul style="list-style-type: none"> Introduction to New Disclosure Requirements for Shariah Screening
Kok Soke Kuen	<ul style="list-style-type: none"> Introduction to New Disclosure Requirements for Shariah Screening

Save as disclosed above, Dato' Sri Dr. Gan Chow Tee did not attend any training during the financial year under review due to his busy schedule. Notwithstanding this, he remains fully cognisant of his duties and responsibilities and will continue to participate in relevant training programmes to keep abreast of new regulatory developments and requirements in compliance with the MMLR. The Directors have also been regularly updated and guided by the Company Secretary and external auditors on recent changes to rules and regulations.

Mr Koh Beng San was appointed on 7 July 2026, which is after the financial year end, therefore his training was not included in the list above.

PART 2 - BOARD COMPOSITION

Board Composition and Diversity

The Board currently has five (5) members, with an appropriate balance of Executive and Non-Executive Directors, as shown below:

Name	Directorship
Dato' Sri Tajudin Bin Md Isa	Independent Non-Executive Chairman
Datuk Au Yee Boon	Executive Director
Kok Soke Kuen	Executive Director
Dato' Sri Dr. Gan Chow Tee	Independent Non-Executive Director
Chua Ya Ting (Resigned on 10 April 2026)	Independent Non-Executive Director
Koh Beng San (Appointed on 7 July 2026)	Independent Non-Executive Director

The Board considers that its present composition offers an appropriate balance of independence, skills, experience, expertise and industry knowledge to discharge its responsibilities effectively. The varied perspectives and professional backgrounds of the Directors enrich Board deliberations, encourage constructive challenge and support balanced, well-informed decisions in the best interests of the Group.

The composition of the Board complies with Paragraph 15.02 of the MMLR, under which at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, must be Independent Directors, and at least one (1) Director must be a woman. Where the number of Directors is not a multiple of three (3), the number nearest to one-third (1/3) is used. If a vacancy results in non-compliance with these requirements, the Company will fill the vacancy within the three (3) months allowed under the MMLR.

The NC supports the Board by reviewing the size, composition and effectiveness of the Board and Board Committees, assessing the independence of the Independent Directors, overseeing succession planning for the Board and Senior Management, and promoting an appropriate level of Board diversity.

The Board believes that diversity strengthens leadership and Board performance. Appointments to the Board are made on merit, based on each candidate's skills, experience, competencies and integrity and the overall needs of the Board, with due regard to diversity of gender, age, ethnicity, professional background and experience. As at the date of this Statement, the Board has one (1) female Director. The Board will continue to consider suitably qualified candidates from diverse backgrounds in its succession planning and Board renewal process.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Board notes the MCCG recommendation that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. The Company has not adopted a formal tenure limit; instead, the Board, through the NC, assesses the independence, objectivity, performance and overall contribution of each Independent Director every year before recommending his or her continued appointment. Should an Independent Director continue in office beyond the recommended tenure, shareholders' approval will be sought through the two-tier voting process prescribed under the MCCG. As at the date of this Statement, no Independent Director has served beyond the recommended cumulative tenure.

Separately, Paragraph 1.01 and Paragraph 1.1(h) of Practice Note 13 of the MMLR provides that the tenure of an Independent Non-Executive Director shall not exceed a cumulative period of twelve (12) years. A Director who reaches the twelve-year limit may remain on the Board only as a Non-Independent Director.

The Board will ensure that the tenure of its Independent Directors remains consistent with the spirit of independence under the MCCG and the MMLR, and that long-serving Directors continue to exercise objective judgement in the best interests of the Company and its stakeholders.

Under the Company's Constitution, one-third (1/3) of the Directors, or the number nearest to one-third (1/3), retire by rotation at each Annual General Meeting ("AGM") and are eligible for re-election. Each Director therefore retires from office at least once in every three (3) years.

The profiles of the Directors are set out in the Directors' Profile section of this Annual Report.

Nomination Committee

The NC helps the Board ensure that the Board and Senior Management are made up of individuals with the right calibre, competencies, experience and integrity to discharge their responsibilities effectively. It also supports effective Board governance by ensuring that appointments, re-elections, succession planning and annual performance evaluations follow a formal, objective and transparent process.

The NC has three (3) members, all of whom are Independent Non-Executive Directors, in compliance with Paragraph 15.08A of the MMLR and the recommendations of the MCCG. Its members are:

Name	Directorship	Designation
Dato' Sri Dr. Gan Chow Tee	Independent Non-Executive Director	Chairman
Dato' Sri Tajudin Bin Md Isa	Independent Non-Executive Chairman	Member
Chua Ya Ting (Resigned on 10 April 2026)	Independent Non-Executive Director	Member
Koh Beng San (Appointed on 7 July 2026)	Independent Non-Executive Director	Member

The NC meets at least once a year, and additionally as and when required. During the FYE 2026, the NC met once (1), with all members present, to deliberate on key matters within its Terms of Reference.

The main activities carried out by the NC included the following:

- Reviewed the size, composition and effectiveness of the Board and Board Committees to confirm that they remain appropriately constituted to support the Group's strategic objectives and governance needs;
- Evaluated the performance and effectiveness of the Board as a whole, the Board Committees and individual Directors through the annual Board evaluation exercise;
- Assessed the independence of the Independent Non-Executive Directors against the independence criteria prescribed under the MMLR; and
- Considered and recommended the re-election of the Directors who retired by rotation at the 25th AGM held on 26 December 2025.

The NC's Terms of Reference can be accessed on the Company's corporate website at www.ybventures.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Remuneration Committee

The RC assists the Board in overseeing the Group's remuneration framework so that it remains fair, transparent and competitive, and supports the Group's long-term strategic objectives and sustainable growth.

The RC reviews and recommends to the Board the remuneration framework and remuneration packages of the Directors and Key Senior Management. In doing so, it considers individual roles and responsibilities, experience, performance, market benchmarks and industry practices, so that remuneration remains competitive and commensurate with individual contributions, and enables the Company to attract, retain and motivate qualified and experienced individuals.

The RC currently has three (3) members, comprising two (2) Independent Non-Executive Directors and one (1) Executive Director, as follows:

Name	Position	Directorship
Dato' Sri Dr. Gan Chow Tee	Chairman	Independent Non-Executive Director
Kok Soke Kuen	Member	Executive Director
Chua Ya Ting (Resigned on 10 April 2026)	Member	Independent Non-Executive Director
Koh Beng San (Appointed 7 July 2026)	Member	Independent Non-Executive Director

One (1) RC meeting was held during the financial year, attended by all members, to consider matters within its Terms of Reference and make recommendations to the Board on remuneration-related matters.

In keeping with good corporate governance and to avoid conflicts of interest, Directors abstain from deliberating and voting on their own remuneration at Board and Board Committee level, where applicable.

Time Commitment

Directors are expected to devote sufficient time and commitment to discharge their duties and responsibilities effectively. The Board, through the NC, monitors the time commitment of each Director to ensure that adequate attention is given to the affairs of the Company alongside other professional and personal commitments.

In assessing time commitment, the NC takes into account, among others, each Director's attendance at Board and Board Committee meetings, participation in deliberations, involvement in the Group's strategic and business matters, and other directorships and professional commitments.

The Board is satisfied that all Directors devoted sufficient time and commitment to their responsibilities throughout the financial year.

Board Effectiveness Evaluation

Each year, in accordance with the MMLR, the Board evaluates its overall effectiveness and the performance of the Board Committees and individual Directors.

The NC facilitates the evaluation with the assistance of the Company Secretaries, using structured self-assessment questionnaires. The evaluation covers, among others, the effectiveness of the Board's composition, governance processes and decision-making, the performance of the Board Committees, and the contribution of individual Directors, having regard to their competencies, experience, integrity, independence, time commitment, participation in Board deliberations and oversight of sustainability and Environmental, Social and Governance matters.

The NC also assesses the independence of each Independent Director against the criteria prescribed under the MMLR, considering whether any relationship or circumstance exists that may impair, or could reasonably be perceived to impair, the Director's ability to exercise independent judgement and act in the best interests of the Company.

Based on the evaluation carried out during the financial year, the Board is satisfied that it continues to function effectively, and that the Board Committees and individual Directors have discharged their duties and responsibilities diligently and in accordance with their respective Terms of Reference.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PART 3 - REMUNERATION

Remuneration

A well-designed remuneration framework is essential to attract, retain and motivate individuals with the skills, experience and leadership capabilities needed to support the Group's long-term growth and sustainable value creation. The Company's remuneration framework is therefore designed to be fair, transparent and competitive, and to align the interests of Directors and Senior Management with the Group's strategic objectives, business priorities and long-term performance.

Details of the Directors' fees and other benefits paid during the FYE 2026 are as follows:

Directors	The Group		The Company	
	Fees (RM)	Salaries and other emoluments (RM)	Fees (RM)	Salaries and other emoluments (RM)
Dato' Sri Tajudin Bin Md Isa	120,000	-	120,000	-
Datuk Au Yee Boon	-	134,400	-	-
Kok Soke Kuen	-	-	-	-
Dato' Sri Dr. Gan Chow Tee	36,000	-	36,000	-
Chua Ya Ting (Resigned on 10 April 2026)	36,000	-	36,000	-
Total	192,000	134,400	192,000	-

Remuneration of Senior Management

The remuneration of the Senior Management for the FYE 2026, disclosed in bands, is as follows:

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

Given the confidentiality and sensitivity of the remuneration packages of Senior Management, as well as security concerns, the Board has opted not to disclose the remuneration components of Senior Management on a named basis. The Board considers such information to be commercially sensitive, and its disclosure may adversely affect the Group's ability to attract and retain talent in a competitive business environment. The Board is therefore of the view that disclosure in bands strikes an appropriate balance between transparency and the protection of commercially sensitive information.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The AC established by the Board consists solely of Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director who is not the Chairman of the Board, in accordance with the MMLR and the MCCG. This composition reinforces the independence of the AC and enables it to provide objective oversight and constructive challenge.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The AC assists the Board in overseeing the integrity of the Group's financial reporting, the effectiveness of the audit and assurance processes, the adequacy of the Group's governance framework, and compliance with applicable laws and regulatory requirements. To this end, the AC reviews the quarterly and annual financial statements before recommending them to the Board for approval, considers significant financial reporting matters and accounting judgements and estimates, reviews the findings and recommendations of the Internal and External Auditors, and monitors Management's implementation of agreed corrective actions.

The AC also oversees the effectiveness of the internal and external audit functions so that they continue to provide independent and objective assurance on the adequacy and effectiveness of the Group's governance, risk management and internal control systems. To encourage open communication and preserve auditor independence, the AC meets the External Auditors privately, without Management present, whenever it considers necessary.

The composition, roles and responsibilities of the AC, together with a summary of its activities during the financial year, are set out in the AC Report in this Annual Report.

Risk Management and Internal Control Framework

The Board acknowledges that it is ultimately responsible for maintaining a sound and effective system of risk management and internal control to safeguard the Group's assets and shareholders' investments. This includes reviewing and monitoring the Group's risks, risk management framework and internal control system, which provide reasonable assurance of effective and efficient operations and compliance with laws and regulations. An on-going process is in place for identifying, evaluating and managing the significant risks that may affect the achievement of the Group's business objectives.

The AC's processes are designed to provide a proactive framework and dialogue through which the AC, Management and the internal and external auditors review and assess the risk management framework. The internal audit function is outsourced to a professional service firm that is independent of the Group's activities and operations and reports directly to the AC.

Further details of the Group's risk management and internal control system are set out in the Statement on Risk Management and Internal Control in this Annual Report.

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

EFFECTIVE COMMUNICATION WITH STAKEHOLDERS

The Board places importance on effective communication with shareholders, investors and other stakeholders, and is committed to providing timely, accurate and accessible information on the Group's performance, significant developments and corporate initiatives.

Shareholders and the investing public are kept informed through announcements released via Bursa Securities and through the Company's corporate website, which serves as a central source of corporate information. The website carries the Annual Report, financial results, corporate announcements, corporate governance information and other relevant disclosures, promoting transparency and accessibility.

Shareholders and other stakeholders may also contact the Company through the Investor Relations contact provided on the corporate website. This channel allows stakeholders to give feedback or raise enquiries and supports the Company's commitment to open and effective stakeholder engagement.

General meetings are likewise an important platform for meaningful engagement with shareholders, who may raise questions, seek clarification on the Group's business and operations, and express their views on matters affecting the Company. The Board and Senior Management are committed to giving shareholders clear and comprehensive responses to the issues raised.

The Board will continue to maintain high standards of corporate disclosure and stakeholder engagement to promote transparency, accountability and long-term stakeholder confidence.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

CONDUCT OF GENERAL MEETINGS

The AGM and other general meetings allow the Board, Senior Management and shareholders to engage directly on the Group's performance, strategic direction, corporate developments and governance practices. Shareholders may raise questions, seek clarification on the proposed resolutions and express their views, while the Board and Senior Management provide updates on the Group's business and address shareholders' queries and concerns in an open and transparent manner.

To facilitate meaningful engagement, all Directors, Key Senior Management, the Company Secretaries and the External Auditors attend general meetings to answer questions and provide clarification on matters within their respective areas of responsibility. Shareholders are encouraged to take an active part in the proceedings, particularly the question-and-answer session, to promote constructive dialogue and informed participation.

Consistent with the recommendations of the MCGG, the Notice of AGM, the Annual Report and other relevant meeting documents are issued to shareholders at least twenty-eight (28) days before the meeting. These documents are also made available on the websites of Bursa Securities and the Company, giving shareholders sufficient time to review the Group's performance and consider the resolutions to be tabled.

In accordance with Paragraph 8.29A of the MMLR, all resolutions put to general meetings are voted on by poll. The Company conducts poll voting electronically to ensure a transparent, accurate and efficient voting process. An Independent Poll Administrator conducts the polling process, and an Independent Scrutineer verifies the poll results before they are announced.

As a matter of good corporate governance, the minutes of the AGM, including the key matters discussed and the responses to shareholders' questions, will be published on the Company's corporate website within thirty (30) business days after the meeting.

The Board remains committed to open communication with shareholders and will continue to strengthen its shareholder engagement practices to promote transparency, accountability and informed participation in the Company's general meetings.

STATEMENT OF COMPLIANCE

Throughout the financial year, the Company applied the principles set out in the MCGG and substantially applied its Practices in a manner appropriate to the Group's business, operations and governance framework.

Where the Company has departed from a Practice of the MCGG, it has provided clear and meaningful explanations, together with the alternative measures adopted or intended to achieve the intended outcome of that Practice. These disclosures are set out in the CG Report, which is available on the Company's website at www.ybventures.com and has been announced via Bursa Securities.

The Board will continue to enhance the Group's corporate governance practices, taking into account evolving regulatory expectations, emerging governance developments and the changing needs of the Group, with the aim of promoting sustainable long-term value for shareholders and other stakeholders.

The Board reviewed and approved this Statement on 28 October 2026.

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 2026 (“**FYE 2026**”) according to Paragraph 15.15 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), as part of its ongoing commitment to strong corporate governance and transparent oversight.

Throughout the financial year, the AC assisted the Board in fulfilling its oversight responsibilities over the integrity of the Group’s financial reporting process, the effectiveness of internal control systems, the internal and external audit functions, regulatory compliance and governance practices. The terms of reference (“**TOR**”) of the AC is available on the Company’s website at <https://www.ybventures.com>.

COMPOSITION OF THE AC

The current AC comprises three (3) members, all of whom are Independent Non-Executive Directors.

Name	Position	Designation
Koh Beng San (Appointed 7 July 2026)	Chairperson	Independent Non-Executive Director
Chua Ya Ting (Resigned 10 April 2026)	Chairperson	Independent Non-Executive Director
Dato' Sri Tajudin Bin Md Isa	Member	Independent Non-Executive Director
Dato' Sri Dr. Gan Chow Tee	Member	Independent Non-Executive Director

The current composition of the AC complies with Paragraph 15.09(1) of the MMLR of Bursa Securities and Step Up Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance 2021 (“**MCCG**”), whereby the committee comprises no fewer than three (3) members, the majority of whom are independent. In the event of any vacancy in the AC, the Company will ensure that such vacancy is filled within three (3) months in accordance with the MMLR. From 10 April 2026 to 6 July 2026, the AC only comprised of 2 members.

The AC is chaired by Mr Koh, an independent non-executive director. In compliance with Practice 9.1 of the MCCG he is not the Chairman of the Board. He is a member of the Malaysian Institute of Accountants (“**MIA**”) and Chartered Tax Institute of Malaysia 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 effectiveness of the AC is further supported by the Company’s governance structure, which promotes objectivity and independent oversight. In this regard, the Chairman of the AC does not concurrently serve as the Chairman of the Board, thereby ensuring a clear segregation between the Board’s leadership responsibilities and the Committee’s oversight role. In addition, the Company has not appointed any alternate directors to the AC, allowing the Committee to maintain continuity, accountability and independent judgement in carrying out its duties.

As part of its commitment to upholding high standards of corporate governance, the Company also observes the recommendation under Practice 9.2 of the MCCG, which requires former audit partners of the Group’s external auditors to observe a cooling-off period of at least three (3) years before being considered for appointment to the AC. During the financial year under review, none of the members of the AC were former audit partners of the Group’s external auditors.

To ensure that the AC continues to operate effectively, the Board, through the Nomination Committee, undertakes an annual review of the Committee’s size, composition, performance and overall effectiveness. This assessment enables the Board to determine whether the AC continues to possess an appropriate balance of independence, competencies, industry knowledge and financial expertise necessary to discharge its responsibilities effectively and support the Board in fulfilling its oversight obligations.

AUDIT COMMITTEE REPORT (CONT'D)

TERMS OF REFERENCE

The AC operates in accordance with its approved TOR which sets out the Committee's purpose, composition, membership criteria, meeting procedures, authority, and duties and responsibilities in discharging its oversight functions on behalf of the Board.

The Board reviews the TOR periodically to ensure that it remains relevant and aligned with the MMLR, the MCCG and other applicable regulatory requirements and recognized best practices.

A copy of the AC's TOR is available on the Company's website at <https://www.ybventures.com>.

ATTENDANCE OF MEETINGS

The AC conducted five (5) meetings during the FYE 2026. The details of the attendance of the AC members during the FYE 2026 were as below:-

	Name	Attendance
(a)	Chua Ya Ting*	4/4
(b)	Dato' Sri Tajudin Bin Md Isa	5/5
(c)	Dato' Sri Dr. Gan Chow Tee	5/5

*Ms. Chua Ya Ting resigned as AC Chairperson on 10 April 2026.

As Mr Koh Beng San was appointed after the FYE 2026, his attendance is not being included in the table above.

All meetings were conducted in accordance with the provisions of the TOR, which stipulates that the quorum shall comprise at least two (2) members and the majority of whom must be Independent Directors. To facilitate meaningful deliberations and informed decision-making, formal meeting agendas together with comprehensive meeting papers were circulated to members at least seven (7) days prior to each meeting.

The AC's meetings were attended at the invitation of the AC for the relevant meetings, by the Executive Directors, members of Senior Management, Internal Auditors and External Auditors to provide updates, present reports and respond to queries raised by the Committee on operational, financial, governance and audit-related matters. The Company Secretary and their representatives were also present at all meetings to provide governance and procedural advice, and to ensure that the proceedings and deliberations of the Committee were accurately recorded.

To further preserve the independence of the assurance functions and encourage open communication, the AC also held private sessions with the External Auditors, without the presence of Management, whenever considered necessary. These sessions enabled the AC to engage in candid discussions on matters relating to the audit process, the quality and integrity of financial reporting, auditor independence and any significant issues arising from the audits.

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. Based on the evaluation, 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.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF THE WORK OF THE AC

In accordance with its TOR, the AC carried out the following activities during FYE 2026 in assisting the Board to discharge its oversight responsibilities:

1. Financial Reporting

- (a) Reviewed the quarterly consolidated unaudited financial statements and the consolidated annual audited financial statements of the Group prior to recommending them to the Board for approval;
- (b) Considered the appropriateness of the material accounting policies adopted, significant accounting estimates and judgements, compliance with the applicable approved accounting standards, the Companies Act 2016 and the MMLR; and
- (c) Reviewed the adequacy and transparency of the disclosures in the financial statements to ensure they presented a true and fair view of the Group's financial position and performance.

2. Internal Audit

- (a) Reviewed and approved the annual risk-based Internal Audit Plan to ensure adequate coverage of the Group's principal business operations and key risk areas;
- (b) Reviewed the internal audit reports, including significant findings, recommendations and Management's responses to address the identified control weaknesses;
- (c) Monitored Management's progress in implementing agreed corrective actions arising from the internal audit review; and
- (d) Assessed the adequacy of the resources, competency, independence and effectiveness of the Internal Audit function.

3. External Audit

- (a) Reviewed and discussed the External Auditors' Audit Planning Memorandum, including audit scope, audit strategy and areas of audit focus;
- (b) Reviewed the external auditors' Progress Report including significant audit findings, key observations and recommendations, together to review the extent of cooperation and assistance given by employees of the Group to the external auditors;
- (c) Assessed the performance, suitability, objectivity and independence of the External Auditors, including their written confirmation of independence;
- (d) Held private sessions with the External Auditors, without the presence of Management, to facilitate open discussions on matters arising from the audit and any issues requiring the attention of the AC; and
- (e) Reviewed the proposed audit fees and recommended the re-appointment of the External Auditors to the Board for recommendation to the shareholders at the forthcoming Annual General Meeting.

4. Related Party Transactions

- (a) Reviewed the related party transactions and recurrent related party transactions entered into by the Group on a quarterly basis to ensure that they were conducted on arm's length terms, in the ordinary course of business, on normal commercial terms and were not detrimental to the interests of the Company or its minority shareholders.

AUDIT COMMITTEE REPORT (CONT'D)

5. Conflict of Interests ("COI")

- (a) Reviewed and monitored all COI situations within the Group including any transaction, procedure or course of conduct that raises questions of integrity and the measures taken to resolve, eliminate or mitigate them.

6. Corporate Governance

- (a) Reviewed the AC Report, Corporate Governance Overview Statement, Corporate Governance Report and Statement on Risk Management and Internal Control prior to recommending the same to the Board for approval and inclusion in the Annual Report.

7. Other Matters

- (a) Reviewed and confirmed the minutes of the AC meetings; and
- (b) Reported significant matters arising from the AC meetings to the Board and made recommendations, where appropriate, on matters within the Committee's purview.

INTERNAL AUDIT FUNCTION

The Group's internal audit ("IA") function is outsourced to a professional firm, Atrium Advisory PLT ("**Atrium Advisory**"). The outsourced arrangement enables the AC to obtain independent and objective assurance on the adequacy and effectiveness of the Group's governance, risk management and internal control processes.

The internal audit function adopts a risk-based audit methodology in formulating the annual Internal Audit Plan, which is reviewed and approved by the AC to ensure that audit resources are appropriately allocated to areas of higher risk and key business activities.

During the financial year under review, the Internal Auditors carried out audit assignments in accordance with the approved Internal Audit Plan. The reviews focused on evaluating the adequacy and effectiveness of the Group's internal control system, governance processes and risk management practices, as well as compliance with the Group's policies and procedures and applicable laws and regulatory requirements.

The Internal Auditors presented their audit findings, recommendations and observations to the AC together with Management's responses and proposed corrective actions. The AC deliberated on the findings and monitored Management's progress in implementing the agreed action plans to ensure that identified issues were addressed in a timely and appropriate manner.

In addition, the AC conducted an annual assessment of the outsourced internal audit function, including its independence, competency, resources, experience and overall performance. Based on the assessment, the AC was satisfied that the internal audit function had discharged its responsibilities effectively and continued to provide independent and objective assurance to support the Board in fulfilling its oversight responsibilities.

The total cost incurred for the outsourced internal audit function for the FYE 2026 was RM45,000.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and is to be read in conjunction with the other sections of this Annual Report.

AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees payable to the external auditors by the Group and the Company for the financial year ended 30 June 2026 ("FYE 2026") are as follows: -

Type of Fees	The Group (RM)	The Company (RM)
Audit Fees	246,631	70,000
Non-audit Fees	5,500	5,500

MATERIAL CONTRACTS

There were no material contracts outside the ordinary course of business entered into by the Company and its subsidiaries involving Directors' and major shareholder's interest which were still subsisting at the end of the FYE 2026 or entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

There was no RRPT of a revenue or trading nature during the FYE 2026 save as the software and website development fee and software subscription fee paid/payable to a company in which a Director of the Company has interests.

UTILISATION OF PROCEEDS

The Company did not raise any funds through any corporate proposals during the financial year ended 30 June 2026.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

	2026 RM	2025 RM
(a) Group Total Income and Total Assets		
Total Income		
Revenue	50,257,662	64,867,725
Other income	3,801,814	707,644
Waiver of debts	4,462,000	-
Reversal of impairment loss on trade receivables	85,902	51,563
Finance income	71,865	86,807
Total	58,679,243	65,713,739
Total Assets	221,131,312	263,956,723

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES (CONT'D)

	2026 RM	2025 RM
(b) Business Activities		
Shariah Non-Compliant Activities		
Interest income	71,865	86,807
Total	71,865	86,807
(c) Component of Financial Position		
(i) Cash Component		
<i>Islamic Account/Instruments</i>		
Cash at bank	203,448	312,860
<i>Conventional Account/Instruments</i>		
Fixed deposits with licensed banks	1,704,192	2,143,496
Cash at bank	1,151,197	1,463,237
Cash on hand	13,662	15,593
Total Cash Component	3,072,499	3,935,186
(ii) Debt Component		
<i>Islamic Financing</i>		
<i>Current</i>		
Banker acceptance	8,951,840	8,482,772
Lease liabilities	32,902	145,212
<i>Non-Current</i>		
Lease liabilities	103,059	135,961
Total	9,087,801	8,763,945
<i>Conventional Financing</i>		
<i>Current</i>		
Bank overdraft	4,210,736	7,983,760
Banker acceptance	3,891,000	2,601,000
Receivables factoring	-	1,437,973
Lease liabilities	1,077,733	950,347
<i>Non-Current</i>		
Lease liabilities	1,482,020	2,387,051
Total Debt Component	19,749,290	24,124,076

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“Board”) of YB Ventures Berhad is committed to fostering a risk-conscious culture and maintaining a robust system of internal control and risk management. The Board continuously reviews the adequacy and effectiveness of these systems within the Company and its subsidiaries (collectively referred to as “the Group”).

The Board is pleased to present this Statement on Risk Management and Internal Control (“**Statement**”), which outlines the nature and scope of the Group’s internal control and risk management framework for the financial year ended 30 June 2026.

This Statement is made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and Practice 10.1 and Practice 10.2 of the Malaysian Code on Corporate Governance. In preparing this Statement, the Board has been guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies (“**SORMIC Guide 2025**”), a publication endorsed by Bursa Malaysia pursuant to Paragraph 15.26(b) of the MMLR of Bursa Securities. This Statement sets out the nature and scope of the Group’s risk management and internal control framework and encompasses all its operations, save for certain investments over which the Group does not exercise full management and control.

BOARD’S RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound system of internal control, encompassing financial, operational and compliance controls, as well as an effective risk management framework, and for reviewing the adequacy and operating effectiveness of such systems.

The Board recognises that the Group’s risk management framework and system of internal control are designed to manage risks within the Group’s established risk appetite, rather than to eliminate the risk of failure to achieve its business and corporate objectives. Accordingly, these systems provide reasonable, but not absolute, assurance against material misstatements of financial information, financial losses, fraud, or breaches of applicable laws and regulations, as risks are inherent in all business activities.

The Board confirms that an ongoing process for identifying, evaluating and managing significant risks has been established to mitigate risks that may impede the achievement of the Group’s business and corporate objectives.

The responsibility for reviewing the adequacy and effectiveness of the risk management framework and system of internal control has been delegated by the Board to the Audit Committee (“**AC**”).

RISK MANAGEMENT FRAMEWORK

The Group has established a structured and integrated risk management framework to effectively manage key business risks, with the objective of safeguarding shareholders’ interests, protecting the Group’s assets and preserving stakeholders’ value. The framework ensures a continuous and systematic process for identifying, evaluating, monitoring and managing material risks that may impact the achievement of the Group’s business objectives, with such risks communicated across all levels of the organisation.

The AC, on behalf of the Board, periodically reviews the adequacy and effectiveness of the Group’s risk management process. In discharging this responsibility, the AC is supported by the Executive Directors and Management in identifying and assessing key risks, as well as in ensuring that the risk management process remains robust and effective. All policies and procedures established to identify, measure and monitor the various risk components are subject to review by the AC. In addition, the AC ensures that the necessary infrastructure, resources and systems are in place to support the effective implementation of the risk management framework.

The Group has also formalised a Whistleblowing Policy, which sets out clear procedures for reporting concerns, as well as the confidentiality and protection accorded to whistleblowers. This policy provides a structured avenue for employees and members of the public to report in good faith any suspected misconduct, improprieties or malpractices within the Group, enabling appropriate remedial actions to be taken. The Whistleblowing Policy is available on the Company’s website at www.ybventures.com.

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

The risk management process involves Management across all functional and operating units within the Group and is overseen by the AC, with the support of the Executive Directors. Identified risks form the basis for the development of the Group's risk profile and the corresponding action plans, enabling Management to effectively manage and respond to such risks. Appropriate mitigating measures and control procedures are implemented to address any identified deficiencies and to strengthen the overall control environment.

Where material matters are disclosed in the Annual Report and Financial Statements, the Board considers the implications of such matters on the Group's financial position, financial reporting and internal control system, and ensures that appropriate actions are taken to address the underlying risks. The Board, through the Audit Committee, continues to monitor the implementation and effectiveness of the remedial measures to ensure that identified issues are appropriately addressed and that similar occurrences are minimised.

The key risk areas identified by the Group, together with the corresponding risk mitigation measures and internal controls, are summarised as follows:

(i) **Financial Risks**

The Group is exposed to financial risks, including liquidity risk, credit risk, foreign currency risk and interest rate risk. These risks are evaluated through periodic reviews of the Group's financial performance, cash flow projections, working capital requirements, trade receivables ageing and debt obligations. Management monitors cash flow and liquidity positions, implements credit control procedures, reviews customers' creditworthiness and collection performance, and monitors foreign currency exposures and borrowing costs, where applicable, to mitigate the potential financial impact.

(ii) **Operational Risks**

Operational risks include disruptions to business activities, inventory management, supplier dependency, product quality and changes in market demand. Management monitors operational performance, inventory levels and turnover, product pricing and gross profit margins, while conducting periodic reviews of purchasing arrangements and supplier performance. Appropriate procedures are implemented to manage inventory obsolescence, ensure product quality and maintain the continuity of supply to customers.

(iii) **Regulatory Compliance Risks**

The Group is subject to applicable laws, regulations, listing requirements and other statutory obligations. Management monitors relevant regulatory developments and ensures that appropriate procedures are established to facilitate compliance with applicable requirements. Compliance matters are attended to by the relevant personnel, with assistance from external professional advisers where necessary. Significant compliance matters are escalated to the Board or the relevant Board Committees for consideration and appropriate action.

(iv) **Reputation Risks**

The Group recognises that its reputation may be affected by product quality issues, customer complaints, service deficiencies or adverse publicity. Management seeks to safeguard the Group's reputation through quality control measures, timely resolution of customer complaints, appropriate communication with stakeholders and adherence to ethical business practices. Significant matters that may adversely affect the Group's reputation are escalated to the Board for appropriate attention.

(v) **Cybersecurity and Information Technology Risks**

The Group recognises the importance of protecting its information systems, business data and confidential information against cybersecurity threats, unauthorised access, data loss and system disruptions. Risk mitigation measures include access controls, password protection, data backup procedures, antivirus protection and periodic review of information technology systems, where applicable. Management also promotes employee awareness of information security practices and reviews incidents or vulnerabilities identified to facilitate timely remedial action.

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

(vi) *Sustainability Risks*

The Group considers sustainability-related risks, including environmental, social and governance matters, that may affect its business operations, financial performance and long-term resilience. Relevant matters include compliance with environmental requirements, occupational safety and health, employee welfare, responsible sourcing and changes in market expectations and regulatory requirements. Management monitors relevant developments and implements appropriate measures to address material sustainability risks, taking into consideration the nature and scale of the Group's business operations.

The above key risk areas are reviewed periodically by Management, taking into consideration changes in the Group's business activities, operating environment and emerging risk factors. Significant risks and the effectiveness of the corresponding mitigation measures are reported to the Audit Committee and the Board, where appropriate, for review and deliberation.

INTERNAL CONTROL SYSTEM

The Board recognises the importance of an effective internal audit function and remains committed to ensuring the proper articulation, implementation and continuous review of the Group's system of internal controls. The internal audit function is outsourced to an independent professional services firm, which reports directly to the AC in the discharge of its duties and responsibilities, thereby preserving its independence and objectivity. In carrying out its internal audit engagements, the internal audit function is carried out in accordance to the International Professional Practices Framework ("IPPF") issued by the Institute of Internal Auditors ("IIA") and the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Internal Control – Integrated Framework as reference frameworks to assess the adequacy and effectiveness of the Group's risk management and internal control systems and to identify opportunities for continuous improvement.

The outsourced internal audit function is currently headed by Mr Soon Zee Yi who reports directly to the AC. He is an Associate Member of the Institute of Internal Auditors Malaysia and has more than fifteen (15) years of experience in the field of internal auditing and is equipped with the knowledge and expertise in the realm of risk management, internal controls and governance practices. He is also a Chartered Accountant and a member of Malaysian Institute of Accountants. Mr Soon is the Director of Atrium Advisory PLT. He is supported by a team of up to five (5) internal audit personnel in completing different internal audit assignments carried out since their appointment. All the personnel in the internal audit function are free from any family relationship with any Directors and/or major shareholders, and they do not have any conflict of interest with YB Ventures Berhad throughout the financial year.

The Internal Auditors ("IA") are responsible for evaluating the adequacy and effectiveness of the Group's system of internal controls, monitoring compliance with established policies and procedures, and assessing the effectiveness of risk management processes, including the adequacy of action plans developed to address identified risks. The IA also provide recommendations for improvements to strengthen the overall control environment.

During the financial year under review, the IA carried out regular and systematic audits of the Group's principal operating units in accordance with a risk-based internal audit plan, which had been reviewed and approved by the AC prior to its implementation. These audits were undertaken to assess the adequacy and effectiveness of internal controls, as well as the robustness of the Group's risk management practices, and to identify areas for improvement.

Upon completion of each audit, the IA issued detailed reports outlining the audit objectives, scope, findings, and recommendations, together with Management's responses thereto. These reports were presented to the AC at its quarterly meetings, with significant matters escalated to the Board at scheduled Board meetings, or earlier where necessary. The IA also conducted follow-up reviews to ensure that agreed corrective actions and recommendations were effectively implemented by Management.

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

INTERNAL CONTROL SYSTEM

The key elements of the Group's system of internal control include, inter alia, the following:

- (a) A clearly defined organisational structure with well-established lines of responsibility, authority and accountability to facilitate effective management of the Group's day-to-day operations;
- (b) Defined approval limits and authority levels imposed on Management for operational matters as well as significant non-operating transactions, to ensure proper governance and oversight;
- (c) Documented standard operating procedures ("**SOPs**") to promote compliance with internal controls, as well as applicable laws and regulations. These SOPs are subject to periodic review and updates to reflect evolving risk profiles, business strategies and operational requirements;
- (d) Regular meetings of the Board and the Audit Committee ("**AC**"), held at least quarterly, to deliberate on the Group's financial performance, business operations, strategic matters, corporate developments and internal audit findings, where applicable. Management reports to the AC and the Board on related party transactions, recurrent related party transactions and any potential conflict of interest situations on a quarterly basis;
- (e) Continuous training and development programmes undertaken by employees to enhance their skills, knowledge and competencies;
- (f) Preparation of regular management financial statements and reports to facilitate ongoing monitoring of the Group's financial performance against operational objectives;
- (g) External audit of the Group's year-end financial statements, with significant audit matters presented by the external auditors to the AC. The AC also convenes private sessions with the external auditors, without the presence of Executive Directors and Management, to discuss matters arising from the audit;
- (h) Preparation of annual budgets by the respective operating units for approval by the Board, with actual performance monitored against budgeted targets on a monthly basis and significant variances analysed. The Board reviews the Group's overall performance on a quarterly basis; and
- (i) An Audit Committee comprising solely Independent Directors, which operates with full independence and has unrestricted access to both the internal and external auditors in discharging its responsibilities.

REVIEW BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR of Bursa Malaysia, the external auditors, Morison LC PLT, have reviewed this Statement for inclusion in the Company's Annual Report for the financial year ended 30 June 2026.

The review of this Statement by the external auditors was conducted in accordance with the scope set out in Audit and Assurance Practice Guide 3 (Revised March 2026), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report ("**AAPG 3**"), issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control comprehensively addresses all risks and controls, nor to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems, including the assessments and opinions expressed by the Board and Management. Additionally, the external auditors are not required to evaluate whether the processes described to address material internal control issues identified in the Annual Report will effectively resolve such issues.

Based on their review, the external auditors have reported that nothing has come to their attention that causes them to believe that this Statement, intended for inclusion in the Company's Annual Report, has not been prepared, in all material respects, in accordance with the disclosure requirements set out in Section 7 of the SORMIC Guide 2025, nor that it is factually inaccurate.

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

COMMENTARY ON THE ADEQUACY AND EFFECTIVENESS OF THE GROUP'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

For the financial year under review and up to the date of this Statement, the Board is of the opinion that the Group's system of risk management and internal control is adequate and effective in safeguarding the interests of stakeholders and protecting the Group's assets. The Board is not aware of any material weaknesses or deficiencies in the system of internal control and risk management that have resulted in any material loss to the Group.

The Board has received assurance from the Executive Directors and the Group Finance function that the Group's risk management and internal control systems are operating adequately and effectively throughout the financial year under review and have continued to operate up to the date of approval of this Statement, in all material respects, based on the established risk management and internal control framework.

This Statement is made in accordance with a resolution of the Board dated 28 October 2026.

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

The Board of Directors of YB Ventures Berhad ("the Board") acknowledges its responsibility for ensuring that the financial statements of the Company and its subsidiaries ("the Group"), which have been prepared under the supervision of the Management, are prepared in accordance with the applicable Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"), the requirements of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In fulfilling these responsibilities, the Board have consistently applied appropriate and material accounting policies, made reasonable and prudent judgments and estimates, and ensured that the financial statements present a true and fair view of the financial position of the Group and of the Company as at 30 June 2026, and of their financial performance and cash flows for the financial year then ended.

The Board are also responsible for ensuring that proper accounting records are maintained in accordance with statutory requirements and for taking such steps as are reasonably available to safeguard the assets of the Group and of the Company which to prevent and detect fraud, errors and other irregularities.

The financial statements have been prepared on a going concern basis as the Board have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

This statement was reviewed and approved by the Board on 28 October 2026.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The information on the name, country of incorporation and place of business, principal activities and effective equity interest held by the Company in the subsidiaries are disclosed in Note 9 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Loss for the financial year attributable to owners of the Company	<u>(32,087,856)</u>	<u>(28,835,277)</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 except as disclosed below:

During the current financial year, a subsidiary of the Group, Yi-Lai Industry Berhad, formally ceased its manufacturing operations as part of its business transition and continues to carry on its principal activities through the trading and distribution of tiles.

Following the cessation of its manufacturing operations, the subsidiary recognised inventories written off amounting to RM2,669,084, employee retrenchment expenses amounting to RM3,732,033 arising from the rationalisation of its manufacturing activities and workforce, and gas supply early termination charges amounting to RM2,029,471 during the financial year.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors also do not recommend any dividend payment in respect of the current financial year.

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.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM111,154,840 to RM111,391,587 by way of issuance of 492,716 units new ordinary shares pursuant to the conversion of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at the nominal value of RM0.04 each at a conversion price of RM0.48 per ordinary share.

There was no issuance of debentures during the financial year.

DIRECTORS' REPORT (CONT'D)

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 127 of the Companies Act, 2016 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

As at 30 June 2026, the Company held 808,166 treasury shares out of its 292,637,752 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM256,687.

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 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(b) to the financial statements.

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

The Warrants had expired on 25 September 2025 and all unexercised warrants lapsed and ceased to be valid.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the recognition of loss allowance for doubtful receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been recognised for loss allowance for doubtful receivables; 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 had been written down to an amount which the current assets might be expected so to realise.

DIRECTORS' REPORT (CONT'D)

- (b) At the date of this report, the directors are not aware of any circumstances:
- (i) which would render the amount written off as bad debts or the amount of allowance for doubtful receivables 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 and 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, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

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 except as disclosed in Note 40 to the financial statements.

DIRECTORS

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

Dato' Sri Tajudin Bin Md Isa
Datuk Au Yee Boon*
Dato' Sri Dr Gan Chow Tee
Kok Soke Kuen
Koh Beng San (appointed on 7 July 2026)
Chua Ya Ting (resigned on 10 April 2026)

* Director of the Company and of its subsidiaries

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 in shares in the Company or its related company (other than wholly-owned subsidiaries) of those who were directors at the end of the financial year (including their spouse or children) according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 are as follows:

	Balance as at 01.07.2025	Number of Ordinary Shares		Balance as at 30.06.2026
		Bought	Sold	
Interest in the Company				
Registered in the name of a director				
Datuk Au Yee Boon	13,115,833	-	-	13,115,833
Deemed interests				
Datuk Au Yee Boon*	24,192,166	-	-	24,192,166

	Balance as at 01.07.2025	Number of ICULS		Balance as at 30.06.2026
		Acquired	Disposed	
Interest in the Company				
Registered in the name of a director				
Datuk Au Yee Boon	88,293,096	-	-	88,293,096
Deemed interests				
Datuk Au Yee Boon*	170,960,830	-	-	170,960,830

	Balance as at 01.07.2025	Number of Warrants 2022/2025		Balance as at 30.06.2026
		Issued	Expired	
Interest in the Company				
Registered in the name of a director				
Datuk Au Yee Boon	6,557,916	-	(6,557,916)	-
Deemed interests				
Datuk Au Yee Boon*	12,096,083	-	(12,096,083)	-

* Deemed interests 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 interests by virtue of shares held by his spouse in the Company.

By virtue of his interests in the shares of the Company, Datuk Au Yee Boon is also deemed to have an interest in the shares of the subsidiaries to the extent that the Company has interests under Section 8 of the Companies Act, 2016 in Malaysia.

Other than the above, none of the other directors in office at the end of the financial year held shares or had any beneficial interest in the shares of the Company and its subsidiaries during or at the beginning and end of the financial year. Under the Company's Constitution, the directors are not required to hold shares in the Company.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate of remuneration received or due and receivable by directors or the fixed salary of a full time employee of the Company as disclosed 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 except for any benefit which may be deemed to have arisen by virtue of the transaction between the Company and certain companies in which directors of the Company are also directors and/or shareholders as disclosed in Note 34(a) to the financial statements.

Directors' remuneration:

	The Group RM	The Company RM
Directors' fee	192,000	192,000
Salaries	120,000	-
Contribution to defined contribution plan	14,400	-
	<u>326,400</u>	<u>192,000</u>

During and as of the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might 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 ICULS and Warrants issued by the Company as disclosed in Notes 21 and 20(b) to the financial statements respectively.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Details of significant event during the financial year are disclosed in Note 38 to the financial statements.

SUBSEQUENT EVENTS

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

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

During the financial year, the total insurance premium paid for the directors of the Company amounted to RM11,080. No indemnity was given to, or insurance effected for, the auditors of the Company.

AUDITORS

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

AUDITORS' REMUNERATION

The amounts paid/payable as remuneration of the auditors of the Group and of the Company for the financial year ended 30 June 2026 are as follow:

	The Group RM	The Company RM
Auditors' remuneration (inclusive of non-audit services):		
Morison LC PLT	220,000	75,500
Other auditors	32,131	-
	<u>252,131</u>	<u>75,500</u>

DIRECTORS' REPORT (CONT'D)

Signed on behalf of the Board, as approved by the Board
in accordance with a resolution of the directors,

DATUK AU YEE BOON

KOK SOKE KUEN

Petaling Jaya
28 October 2026

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 2026 and of the financial performance and cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of the directors,

DATUK AU YEE BOON

KOK SOKE KUEN

Petaling Jaya
28 October 2026

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

I, **HONG KOK HOR**, 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.

HONG KOK HOR
MIA 21588

Subscribed and solemnly declared by the
abovenamed at **PETALING JAYA** in the state of
SELANGOR DARUL EHSAN on 28 October 2026.

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 2026 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 73 to 140.

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 2026, 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"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YB VENTURES BERHAD (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>Net realisable value of inventories</p> <p>Refer to Note 4 and 13 to the financial statements for the Group's inventories and key sources of estimation uncertainty.</p> <p>As at 30 June 2026, the Group recorded inventories amounting to RM20,983,508 representing 9% of the Group's total assets. The inventories comprise of finished goods and consumables, which are measured at the lower of cost and net realisable value in accordance with MFRS 102 <i>Inventories</i>.</p> <p>The valuation of inventories involves management judgement in estimating the recoverable amounts based on expected selling prices and estimated costs to sell. Judgement is also required in assessing the adequacy of provisions for slow-moving and obsolete items.</p> <p>Given the significance of the inventories balance and the level of judgement involved in determining their net realisable value, this area was identified as a key audit matter.</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 implementation of these controls. • We tested the valuation of inventories 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. For inventories with no subsequent sales, we assessed the estimated selling prices less the estimated costs to sell. • We examined current market conditions and trends affecting the demand for the Group's inventories to assess the reasonableness of management's assumptions underlying future sales forecast, including the impact of planned inventory clearance activities on the recoverability of inventories. • We evaluated the reasonableness and tested the adequacy of written down of inventories recognised.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YB VENTURES BERHAD (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 TO THE MEMBERS OF YB VENTURES BERHAD (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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YB VENTURES BERHAD (CONT'D)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matter

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

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

**LIM YANG YUE
03544/12/2026 J
Chartered Accountant**

Petaling Jaya
28 October 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2026

		The Group		The Company	
	Note	2026 RM	2025 RM	2026 RM	2025 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	5	144,239,150	152,612,917	97,307	180,681
Investment properties	6	18,023,096	25,924,697	-	-
Right-of-use assets	7	2,941,997	3,750,504	376,795	724,605
Intangible asset	8	-	152,101	-	-
Investment in subsidiaries	9	-	-	131,299,519	162,971,055
Investment in an associate	10	5,232	7,314,656	-	-
Other investments	11	10,986,633	15,920,367	-	-
Deferred tax assets	12	11,306	38,801	11,014	22,098
Total Non-Current Assets		176,207,414	205,714,043	131,784,635	163,898,439
Current Assets					
Inventories	13	20,983,508	32,911,248	-	-
Trade receivables	14	11,186,365	15,151,549	-	-
Other receivables	15	3,220,199	2,226,578	263,766	258,713
Contract assets	16	-	1,263,162	-	-
Amount due from subsidiaries	17	-	-	13,574,119	20,543,352
Current tax assets		385,239	304,227	197,043	159,244
Other investments	11	4,506,230	2,450,730	-	-
Fixed deposits, cash and bank balances	18	3,072,499	3,935,186	136,529	7,464
		43,354,040	58,242,680	14,171,457	20,968,773
Assets held for sale	19	1,569,858	-	-	-
Total Current Assets		44,923,898	58,242,680	14,171,457	20,968,773
Total Assets		221,131,312	263,956,723	145,956,092	184,867,212

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2026 (CONT'D)

		The Group		The Company	
	Note	2026 RM	2025 RM	2026 RM	2025 RM
EQUITY					
Share capital	20	111,391,587	111,154,840	111,391,587	111,154,840
ICULS equity component	21	47,501,787	47,737,524	47,501,787	47,737,524
Treasury shares	22	(256,687)	(256,687)	(256,687)	(256,687)
Reserves	22	9,365,481	49,416,082	(14,992,826)	13,842,451
Total Equity		168,002,168	208,051,759	143,643,861	172,478,128
LIABILITIES					
Non-Current Liabilities					
Lease liabilities	23	1,585,079	2,523,012	34,657	438,625
ICULS liability component	21	-	46,304	-	46,304
Deferred tax liabilities	12	25,452,928	21,617,293	-	-
Total Non-Current Liabilities		27,038,007	24,186,609	34,657	484,929
Current Liabilities					
Trade payables	24	5,075,750	5,134,427	-	-
Other payables	25	2,753,617	4,886,760	130,552	149,021
Bank borrowings	26	17,053,576	20,505,505	-	-
Lease liabilities	23	1,110,635	1,095,559	403,968	382,779
ICULS liability component	21	45,889	45,768	45,889	45,768
Amount due to subsidiaries	17	-	-	1,697,165	11,326,587
Current tax liabilities		51,670	50,336	-	-
Total Current Liabilities		26,091,137	31,718,355	2,277,574	11,904,155
Total Liabilities		53,129,144	55,904,964	2,312,231	12,389,084
Total Equity and Liabilities		221,131,312	263,956,723	145,956,092	184,867,212

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 2026

		The Group		The Company	
	Note	2026 RM	2025 RM	2026 RM	2025 RM
Revenue	27	50,257,662	64,867,725	-	-
Cost of sales		(49,222,621)	(79,581,642)	-	-
Gross profit/(loss)		1,035,041	(14,713,917)	-	-
Other income		3,801,814	707,644	-	-
Distribution expenses		(7,359,971)	(9,229,117)	-	-
Administrative expenses		(8,387,208)	(6,872,783)	(1,067,880)	(944,999)
Waiver of debts		4,462,000	-	4,408,186	-
Reversal of impairment loss on:					
Investment in subsidiaries	9	-	-	-	2,826,902
Trade receivables	14	85,902	51,563	-	-
Impairment loss on:					
Property, plant and equipment	5	-	(32,016,634)	-	-
Investment in subsidiaries	9	-	-	(31,671,536)	(428,401)
Amount due from subsidiaries	17	-	-	(779,825)	(663,667)
Other expenses		(13,262,040)	(2,648,073)	-	-
(Loss)/Profit from operations		(19,624,462)	(64,721,317)	(29,111,055)	789,835
Finance income		71,865	86,807	660,598	785,369
Finance costs		(1,301,808)	(1,384,189)	(362,650)	(60,441)
Share of results of an associate, net of tax	10	(7,309,424)	2,840,367	-	-
(Loss)/Profit before tax	28	(28,163,829)	(63,178,332)	(28,813,107)	1,514,763
Tax expenses	29	(3,924,027)	(2,185,711)	(22,170)	(18,679)
(Loss)/Profit for the financial year attributable to owners of the Company		<u>(32,087,856)</u>	<u>(65,364,043)</u>	<u>(28,835,277)</u>	<u>1,496,084</u>

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

		The Group		The Company	
	Note	2026 RM	2025 RM	2026 RM	2025 RM
Other comprehensive (loss)/income					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences		(139,780)	(318,100)	-	-
<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 ("FVTOCI")		(7,822,965)	(12,080,680)	-	-
Reversal of deferred tax liabilities upon disposal of property, plant and equipment		-	165,103	-	-
Other comprehensive loss for the financial year		<u>(7,962,745)</u>	<u>(12,233,677)</u>	<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the financial year attributable to owners of the Company		<u>(40,050,601)</u>	<u>(77,597,720)</u>	<u>(28,835,277)</u>	<u>1,496,084</u>
Loss per share					
Basic (sen)	31	<u>(11.01)</u>	<u>(22.45)</u>		
Diluted (sen)	31	<u>(11.01)</u>	<u>(22.45)</u>		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

Attributable to Owners of The Company										
← Non-distributable Reserves →										
The Group	Note	Share Capital RM	ICULS Equity Component RM	Treasury Shares RM	Foreign Currency Translation Reserve			Revaluation Reserve RM	Accumulated Losses RM	Total Equity RM
					Treasury Shares RM	Fair Value Reserve RM	Revaluation Reserve RM			
At 1 July 2025		111,154,840	47,737,524	(256,687)	4,221,752	(29,310,240)	91,796,834	(17,292,264)	208,051,759	
Loss for the financial year		-	-	-	-	-	-	(32,087,856)	(32,087,856)	
Fair value changes on equity investment at FVTOCI		-	-	-	-	(7,822,965)	-	-	(7,822,965)	
Foreign currency translation differences		-	-	-	(139,780)	-	-	-	(139,780)	
Total comprehensive loss for the financial year		-	-	-	(139,780)	(7,822,965)	-	(32,087,856)	(40,050,601)	
Transaction with owners										
Conversion of ICULS	21	236,747	(235,737)	-	-	-	-	-	-	1,010
At 30 June 2026		111,391,587	47,501,787	(256,687)	4,081,972	(37,133,205)	91,796,834	(49,380,120)	168,002,168	

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

		Attributable to Owners of The Company							
		← Non-distributable Reserves →					→		
The Group	Note	Share Capital RM	ICULS Equity Component RM	Treasury Shares RM	Foreign Currency Translation Reserve RM	Fair Value Reserve RM	Revaluation Reserve RM	Retained Earnings/ (Accumulated Loss) RM	Total Equity RM
At 1 July 2024		110,792,213	48,098,604	(256,687)	4,539,852	(17,229,560)	91,888,906	47,814,604	285,647,932
Loss for the financial year		-	-	-	-	-	-	(65,364,043)	(65,364,043)
Fair value changes on equity investment at FVTOCI		-	-	-	-	(12,080,680)	-	-	(12,080,680)
Foreign currency translation differences		-	-	-	(318,100)	-	-	-	(318,100)
Reversal of deferred tax liabilities upon disposal of property, plant and equipment		-	-	-	-	-	-	165,103	165,103
Transfer of revaluation reserve upon disposal of property, plant and equipment		-	-	-	-	-	(92,072)	92,072	-
Total comprehensive loss for the financial year		-	-	-	(318,100)	(12,080,680)	(92,072)	(65,106,868)	(77,597,720)
Transaction with owners									
Conversion of ICULS	21	362,627	(361,080)	-	-	-	-	-	1,547
At 30 June 2025		111,154,840	47,737,524	(256,687)	4,221,752	(29,310,240)	91,796,834	(17,292,264)	208,051,759

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

Attributable to Owners of The Company						
	Note	Share Capital RM	ICULS Equity Component RM	Treasury Shares RM	Retained Earnings/ (Accumulated Loss) RM	Total Equity RM
The Company						
At 1 July 2025		111,154,840	47,737,524	(256,687)	13,842,451	172,478,128
Loss for the financial year represents total comprehensive loss for the financial year		-	-	-	(28,835,277)	(28,835,277)
Transaction with owners: Conversion of ICULS	21	236,747	(235,737)	-	-	1,010
At 30 June 2026		111,391,587	47,501,787	(256,687)	(14,992,826)	143,643,861
At 1 July 2024		110,792,213	48,098,604	(256,687)	12,346,367	170,980,497
Profit for the financial year represents total comprehensive income for the financial year		-	-	-	1,496,084	1,496,084
Transaction with owners: Conversion of ICULS	21	362,627	(361,080)	-	-	1,547
At 30 June 2025		111,154,840	47,737,524	(256,687)	13,842,451	172,478,128

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Cash flows from operating activities				
(Loss)/Profit before tax	(28,163,829)	(63,178,332)	(28,813,107)	1,514,763
Adjustments for:				
Amortisation of intangible asset	152,100	365,040	-	-
Change in fair value on other investments	1,088,770	1,242,585	-	-
Depreciation of:				
- Property, plant and equipment	4,211,757	8,460,153	84,924	83,458
- Investment properties	704,669	585,264	-	-
- Right-of-use assets	1,291,166	1,750,418	347,810	347,810
Dividend income from other investments	(2,750)	(18,019)	-	-
Finance income	(69,115)	(68,788)	(660,598)	(785,369)
Finance costs	1,301,808	1,384,189	362,650	60,441
Gain on early termination of lease contracts	-	(3,165)	-	-
(Gain)/Loss on disposal of:				
- Property, plant and equipment	(2,659,605)	74,183	-	-
- Investment properties	196,932	-	-	-
- Right-of-use assets	(134,491)	-	-	-
- Other investments at fair value through profit or loss ("FVTPL")	74,092	436,469	-	-
- Assets held for sale	-	(50,340)	-	-
Impairment loss on:				
- Property, plant and equipment	-	32,016,634	-	-
- Investment in subsidiaries	-	-	31,671,536	428,401
- Amount due from subsidiaries	-	-	779,825	663,667
Loss on warrant expired	12,300	-	-	-
Loss/(Gain) on unrealised foreign exchange	117,444	(2,787)	-	-
Inventories written down	721,555	10,351,935	-	-
Reversal of inventories written down	(74,585)	-	-	-
Reversal of impairment loss on:				
- Investment in subsidiaries	-	-	-	(2,826,902)
- Trade receivables	(85,902)	(51,563)	-	-
Share of results of an associate, net of tax	7,309,424	(2,840,367)	-	-
Waiver of debts	(4,462,000)	-	(4,408,186)	-
Write-offs of:				
- Property, plant and equipment	102,692	401,993	-	-
- Intangible asset	1	-	-	-
- Inventories	3,096,272	140,591	-	-
- Trade receivables	41,611	-	-	-
- Contract assets	119,645	-	-	-
Operating loss before working capital changes	(15,110,039)	(9,003,907)	(635,146)	(513,731)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Changes in working capital:				
Inventories	8,184,498	(1,552,310)	-	-
Trade receivables	4,011,434	1,337,150	-	-
Other receivables	(953,621)	1,546,999	(5,053)	35,890
Contract assets	1,143,517	2,423,244	-	-
Trade payables	(58,677)	371,203	-	-
Other payables	(2,133,143)	(804,855)	(18,469)	(102,641)
Cash used in operations	(4,916,031)	(5,682,476)	(658,668)	(580,482)
Net income tax (paid)/refunded	(140,081)	541,741	(48,885)	(57,872)
Net cash used in operating activities	(5,056,112)	(5,140,735)	(707,553)	(638,354)
Cash flows from investing activities				
Additions of:				
- Property, plant and equipment	(468,788)	(858,281)	(1,550)	-
- Investment properties	-	(1,239,181)	-	-
Dividends received from other investments	2,750	18,019	-	-
Interest income from:				
- Bank balances received	51,139	68,788	8,404	-
- Other investments received	17,976	-	-	-
Net (acquisitions of)/proceeds from:				
- Other investments measured at FVTOCI	(2,889,231)	-	-	-
- Other investments measured at FVTPL	(3,230,662)	6,133,929	-	-
Net advances received from subsidiaries	-	-	6,841,602	5,123,153
Proceeds from disposals of:				
- Property, plant and equipment	5,463,708	734,500	-	-
- Investment properties	7,000,000	-	-	-
- Right-of-use assets	134,492	-	-	-
- Assets held for sale	-	815,000	-	-
Refund received from supplier relating to acquisitions of property, plant and equipment	-	225,000	-	-
Real Property Gains Tax paid	-	(55,184)	-	-
Withdrawal/(Placement) of fixed deposits pledged to licensed bank	439,304	(54,578)	-	-
Withdrawal of fixed deposits maturity more than 3 months	-	1,601,137	-	-
Net cash generated from investing activities	6,520,688	7,389,149	6,848,456	5,123,153

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Cash flows from financing activities				
Interest paid	(1,299,092)	(1,378,793)	(34,974)	(55,045)
Net advances received from an associate	4,462,000	-	-	-
Net payment to amount due to subsidiaries	-	-	(5,546,196)	(4,088,490)
Net repayment of bank borrowings	(3,537,092)	(4,000,974)	-	-
Repayment ICULS liability component	(47,889)	(48,346)	(47,889)	(48,346)
Repayment of lease liabilities	(1,406,755)	(1,527,161)	(382,779)	(361,050)
Net cash used in financing activities	(1,828,828)	(6,955,274)	(6,011,838)	(4,552,931)
Net changes in cash and cash equivalents	(364,252)	(4,706,860)	129,065	(68,132)
Cash and cash equivalents at beginning of the financial year	1,791,690	6,722,222	7,464	75,596
Effect of foreign translation differences	(59,131)	(223,672)	-	-
Cash and cash equivalents at the end of the financial year (Note 32(c))	1,368,307	1,791,690	136,529	7,464

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

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 Company is principally involved in investment holding.

The information on the name, country of incorporation and place of business, principal activities and effective equity interest held by the Company in 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 28 October 2026.

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

In the current year, the Group and the Company adopted all of the amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for an accounting period that begins on or after 1 July 2025. The adoption did not result in significant changes in the accounting policies of the Group and of the Company and had no significant effect on the financial performance or position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

Standards and Amendments to MFRSs in issue but not yet effective

The Group and the Company have not elected for early adoption of the new and relevant amendments to MFRSs which have been issued but not yet effective until future periods, at the date of authorisation for issue of these financial statements:

Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards - Volume 11 ¹
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature - dependent Electricity ¹
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency ²
Amendments to MFRS 128	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures ²
MFRS 18	Presentation and Disclosure in Financial Statements ²
MFRS 19	Subsidiaries without Public Accountability: Disclosures ²
MFRS 20	Regulatory Assets and Regulatory Liabilities ³

- ¹ Effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.
- ² Effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.
- ³ Effective for annual periods beginning on or after 1 January 2029, with earlier application permitted.
- ⁴ Effective date deferred to a date to be determined and announced by MASB, with earlier application permitted.

The directors anticipate that the adoption of these new and amendments to MFRSs when they become effective will have no material impact on the financial statements of the Group and of the Company in the period of initial application except as discussed below:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*, carrying forward many of the requirements in MFRS 101 unchanged and complementing them with new requirements. In addition, some MFRS 101 paragraphs have been moved to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and MFRS 7 *Financial Instruments: Disclosures*. Furthermore, consequential amendments have been made to MFRS 107 *Statement Of Cash Flows* and MFRS 133 *Earnings per Share*.

MFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss;
- provide disclosures on management-defined performance measures ("MPMs") in the notes to the financial statements; and
- improve aggregation and disaggregation.

An entity is required to apply MFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to MFRS 107 and MFRS 133, as well as the revised MFRS 108 and MFRS 7, become effective when an entity applies MFRS 18. MFRS 18 requires retrospective application with specific transition provisions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of accounting

The financial statements of the Group and of the Company have been prepared on the historical cost basis except for financial instruments that are measured at amortised cost or at fair value at the end of each reporting period.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the accounting policies of the Group and of the Company, the management are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical Judgements in Applying the Group's Accounting Policies

In the process of applying the accounting policies of the Group and the Company, the directors are of the opinion that there are no instances of applications which are expected to have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

(b) Key Sources of Estimation Uncertainties

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

(i) Net realisable value of inventories

The inventories comprise finished goods and consumables. Inventories are measured at the lower of cost and net realisable value. Judgement involves in estimating the recoverable amounts based on expected selling prices and estimated costs to sell. Judgement is also required in assessing the adequacy of provisions for slow-moving and obsolete items.

The management reassess the net realisable value of inventories at the end of each reporting 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 inventories of the Group at the reporting date is disclosed in Note 13.

(ii) Estimated 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 factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above.

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

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

The Group	Note	At Valuation		At Cost		
		Freehold land RM	Freehold buildings RM	Plant and machinery RM	Motor vehicles, office and other equipment RM	Capital work-in- progress RM
						Total RM
At 1 July 2025		70,010,799	79,708,200	166,620,091	12,269,915	1,450,327
Additions		-	-	-	408,244	60,544
Disposals		-	-	(164,161,954)	(1,544,766)	-
Transfers		-	-	(352,810)	441,859	(89,049)
Transfers from/(to):						
Right-of-use assets	7	-	-	-	1,489,000	-
Assets held for sale	19	(302,799)	(1,362,201)	-	-	-
Write-offs		-	-	(2,105,327)	(1,403,771)	(1,397,220)
Exchange differences		-	-	-	(156,560)	-
At 30 June 2026		69,708,000	78,345,999	-	11,503,921	24,602
						159,582,522
Accumulated depreciation						
At 1 July 2025		-	3,670,692	127,435,148	8,733,208	-
Charge for the financial year		-	3,670,690	20,940	520,127	-
Disposals		-	-	(125,114,020)	(1,538,450)	-
Transfers		-	-	(332,887)	332,887	-
Transfers from/(to):						
Right-of-use assets	7	-	-	-	1,488,998	-
Assets held for sale	19	-	(95,142)	-	-	-
Write-offs		-	-	(2,009,181)	(1,397,225)	-
Exchange differences		-	-	-	(42,413)	-
At 30 June 2026		-	7,246,240	-	8,097,132	-
						15,343,372
Accumulated impairment losses						
At 1 July 2025		-	-	36,210,147	-	1,397,220
Disposals		-	-	(36,210,147)	-	-
Write-offs		-	-	-	-	(1,397,220)
At 30 June 2026		-	-	-	-	-
Net carrying amount						
At 30 June 2026		69,708,000	71,099,759	-	3,406,789	24,602
						144,239,150

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

The Group	At Valuation		At Cost				Total RM
	Freehold land RM	Freehold buildings RM	Plant and machinery RM	Motor vehicles, office and other equipment RM	Capital work- in-progress RM		
At 1 July 2024	70,145,999	80,358,000	190,536,066	12,442,262	1,516,464		354,998,791
Additions	-	-	27,015	632,049	199,217		858,281
Disposals	(135,200)	(649,800)	-	(379,593)	-		(1,164,593)
Transfers	-	-	40,354	-	(40,354)		-
Write-offs	-	-	(23,983,344)	(251,441)	-		(24,234,785)
Discount*	-	-	-	-	(225,000)		(225,000)
Exchange differences	-	-	-	(173,362)	-		(173,362)
At 30 June 2025	70,010,799	79,708,200	166,620,091	12,269,915	1,450,327		330,059,332
Accumulated depreciation							
At 1 July 2024	-	-	146,683,678	8,930,343	-		155,614,021
Charge for the financial year	-	3,685,026	4,334,359	440,768	-		8,460,153
Disposals	-	(14,334)	-	(341,576)	-		(355,910)
Write-offs	-	-	(23,582,889)	(249,903)	-		(23,832,792)
Exchange differences	-	-	-	(46,424)	-		(46,424)
At 30 June 2025	-	3,670,692	127,435,148	8,733,208	-		139,839,048
Accumulated impairment losses							
At 1 July 2024	-	-	5,590,733	-	-		5,590,733
Recognised during the financial year	-	-	30,619,414	-	1,397,220		32,016,634
At 30 June 2025	-	-	36,210,147	-	1,397,220		37,607,367
Net carrying amount							
At 30 June 2025	70,010,799	76,037,508	2,974,796	3,536,707	53,107		152,612,917

*Discount received from a supplier in respect of capital expenditure acquired in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

The Company	Office and other equipment 2026 RM	2025 RM
Cost		
At 1 July 2025/2024	477,876	467,069
Addition	1,550	10,807
	<hr/>	<hr/>
At 30 June	479,426	477,876
	<hr/>	<hr/>
Accumulated depreciation		
At 1 July 2025/2024	297,195	213,737
Charge for the financial year	84,924	83,458
	<hr/>	<hr/>
At 30 June	382,119	297,195
	<hr/>	<hr/>
Net carrying amount		
At 30 June	97,307	180,681
	<hr/>	<hr/>

- (a) All property, plant and equipment are measured at cost/valuation less accumulated depreciation and accumulated impairment losses, if any.

The Group revalues its freehold land and buildings every five (5) years from the last date of valuation or at shorter intervals whenever the fair values of the said assets are expected to differ substantially from its carrying amounts.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve.

The revaluation reserve in respect of an asset, is transferred directly to retained earnings upon disposal of the asset.

Freehold land is not depreciated. Capital work-in-progress is not depreciated until the asset is ready for the intended use.

Depreciation of other property, plant and equipment is provided for on a straight-line basis over 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 equipment	3 to 5 years

The remaining useful life of freehold buildings ranges from 15 to 31 (2025: 16 to 39) years.

- (b) The freehold land and freehold buildings were last revalued in 2024 based on valuations carried out by independent professional valuers using the market comparison approach and the replacement cost approach.

During the financial year, following the cessation of manufacturing operations, the Group obtained an updated valuation assessment for selected freehold land and buildings relating to the manufacturing operations to assess whether their carrying amounts remained appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

The assessment indicated that the fair values of the selected assets exceeded their respective carrying amounts. However, as the assessed fair values did not differ significantly from those determined in the previous valuation conducted in 2024, no revaluation adjustments were recognised, in accordance with the Group's policy of conducting revaluations once every five (5) years.

Information about the fair value hierarchy of the freehold land and freehold buildings of the Group as of the end of the financial year are as follows:

	←	Fair value	→
The Group	Level 1	Level 2	Level 3
	RM	RM	RM
2026			
Freehold land	-	69,708,000	-
Freehold buildings	-	78,345,999	-
	-	148,053,999	-
2025			
Freehold land	-	70,010,799	-
Freehold buildings	-	79,708,200	-
	-	149,718,999	-

There were no transfers between Level 1 and 2 during the current or prior year.

If the freehold land and freehold buildings were measured at cost model, the carrying amounts would have been as follows:

	The Group	
	2026	2025
	RM	RM
Freehold land	15,087,256	15,314,346
Freehold buildings	30,952,491	31,760,191
	46,039,747	47,074,537

- (c) Capital work-in-progress refers to the feature enhancement cost directly attributable to the development of the other equipment of the Group. The construction of these assets is still in progress at the end of the reporting date. Depreciation of these assets commences when the assets are ready for their intended use.
- (d) Freehold land and freehold building of the Group amounting to RM43,745,500 (2025: RM45,374,750) have been charged to a local licensed bank to secure banking facilities granted to a subsidiary as disclosed in Note 26.
- (e) In 2025, the management reviewed the business outlook and expressed its intention to cease the manufacturing operations of the subsidiary, which has recorded gross losses for three consecutive financial years. The recoverable amounts of the plant and equipment and capital work-in progress in the previous financial year were determined based on fair value less cost of disposal ("FVLCD"). The FVLCD was derived from observable market prices of comparable used manufacturing equipment in the secondary market and scrap value. Appropriate discounts were applied to reflect physical condition and obsolescence of the assets, together with the estimated disposal-related costs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

As a result of the impairment assessment, an impairment loss of RM32,016,634 was recognised in the previous financial year, as the recoverable amounts of the plant and machinery and capital work-in-progress, determined based on FVLCD were lower than their carrying amounts.

The manufacturing operations of the subsidiary were subsequently ceased in October 2025.

6. INVESTMENT PROPERTIES

The Group	Leasehold land and buildings RM	Renovation RM	Total RM
Cost			
At 1 July 2025	26,279,125	1,213,449	27,492,574
Reclassification	(5,000)	5,000	-
Disposal	(7,752,531)	-	(7,752,531)
At 30 June 2026	18,521,594	1,218,449	19,740,043
Accumulated depreciation			
At 1 July 2025	1,160,480	59,682	1,220,162
Charge for the financial year	460,979	243,690	704,669
Disposal	(555,599)	-	(555,599)
At 30 June 2026	1,065,860	303,372	1,369,232
Accumulated impairment losses			
At 1 July 2025 and 30 June 2026	347,715	-	347,715
Net carrying amount			
At 30 June 2026	17,108,019	915,077	18,023,096
Cost			
At 1 July 2024	26,253,393	-	26,253,393
Additions	25,732	1,213,449	1,239,181
At 30 June 2025	26,279,125	1,213,449	27,492,574
Accumulated depreciation			
At 1 July 2024	634,898	-	634,898
Charge for the financial year	525,582	59,682	585,264
At 30 June 2025	1,160,480	59,682	1,220,162
Accumulated impairment losses			
At 1 July 2024 and 30 June 2025	347,715	-	347,715
Net carrying amount			
At 30 June 2025	24,770,930	1,153,767	25,924,697

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

- (a) Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Investment properties consist of leasehold land and buildings (which are not separable).

Depreciation of investment properties is provided for on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land and buildings	50 years
Renovation	5 years

The remaining lease term of the investment properties ranges from 75 to 82 (2025: 65 to 83) years.

- (b) The fair values 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.

Details of the Group's investment properties and information about the fair value hierarchy are as follows.

The Group	Level 1 RM	Level 2 RM	Level 3 RM
2026			
Leasehold land and buildings	-	19,767,000	-
2025			
Leasehold land and buildings	-	27,745,000	-

There were no transfers between Level 1 and 2 during the current or prior year.

- (c) The rental income and direct operating expenses incurred relating to the investment properties of the Group are as follows:

	The Group	
	2026 RM	2025 RM
Rental income	(216,000)	(60,000)
Direct operating expenses	123,881	173,782

- (d) On 23 January 2026, the Board of Directors of a subsidiary approved the disposal of the leasehold land and building. The subsidiary entered into the Sale and Purchase Agreement on 23 January 2026 with the purchaser, for a total consideration of RM7,000,000. This transaction was completed on 24 April 2026.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

7. RIGHT-OF-USE ASSETS

The Group	← At Valuation →		At Cost	Total
	Leasehold land RM	Leasehold building RM	Leased buildings, motor vehicles, office and other equipment RM	
At 1 July 2025	240,000	450,000	8,644,577	9,334,577
Additions	-	-	498,822	498,822
Disposals	-	-	(444,309)	(444,309)
Expiration of lease contracts	-	-	(1,118,701)	(1,118,701)
Transfers to property, plant and equipment (Note 5)	-	-	(1,489,000)	(1,489,000)
Exchange differences	-	-	(35,694)	(35,694)
At 30 June 2026	240,000	450,000	6,055,695	6,745,695
Accumulated depreciation				
At 1 July 2025	2,945	14,063	5,567,065	5,584,073
Charge for the financial year	2,945	14,063	1,274,158	1,291,166
Disposals	-	-	(444,308)	(444,308)
Expiration of lease contracts	-	-	(1,118,701)	(1,118,701)
Transfers to property, plant and equipment (Note 5)	-	-	(1,488,998)	(1,488,998)
Exchange differences	-	-	(19,534)	(19,534)
At 30 June 2026	5,890	28,126	3,769,682	3,803,698
Net carrying amount				
At 30 June 2026	234,110	421,874	2,286,013	2,941,997

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

The Group	← At Valuation →		At Cost Leased buildings, motor vehicles, office and other equipment	Total RM
	Leasehold land RM	Leasehold building RM	RM	
At 1 July 2024	240,000	450,000	6,738,232	7,428,232
Additions	-	-	2,250,993	2,250,993
Early termination of lease contracts	-	-	(99,287)	(99,287)
Expiration of lease contracts	-	-	(191,006)	(191,006)
Modification of lease contracts	-	-	(32,325)	(32,325)
Exchange differences	-	-	(22,030)	(22,030)
At 30 June 2025	240,000	450,000	8,644,577	9,334,577
Accumulated depreciation				
At 1 July 2024	-	-	4,095,473	4,095,473
Charge for the financial year	2,945	14,063	1,733,410	1,750,418
Early termination of lease contracts	-	-	(49,644)	(49,644)
Expiration of lease contracts	-	-	(191,006)	(191,006)
Exchange differences	-	-	(21,168)	(21,168)
At 30 June 2025	2,945	14,063	5,567,065	5,584,073
Net carrying amount				
At 30 June 2025	237,055	435,937	3,077,512	3,750,504

The Company	Office	
	2026 RM	2025 RM
Cost		
At 1 July 2025/2024 and 30 June	2,062,435	2,062,435
Accumulated depreciation		
At 1 July 2025/2024	1,337,830	990,020
Charge for the financial year	347,810	347,810
At 30 June	1,685,640	1,337,830
Net carrying amount		
At 30 June	376,795	724,605

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

- (a) The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset, starting from the commencement date of the lease.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have 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).

Right-of-use assets are amortised over the remaining lease terms on a straight-line basis as follows:

Leasehold land	Over the remaining lease period
Leasehold building	50 years
Leased buildings, motor vehicles, office and other equipment	2 to 6 years

The remaining lease term of the leasehold land is 79 (2025: 80) years.

The maturity analysis of lease liabilities is presented in Note 23.

- (b) The leasehold land and leasehold building have been revalued in 2024 on the basis of a valuation carried out by independent professional valuers using the market comparison approach.

Information about the fair value hierarchy of the leasehold land and leasehold building of the Group as of the end of the financial year are as follows:

	Fair values		
	Level 1 RM	Level 2 RM	Level 3 RM
The Group			
2026			
Leasehold land	-	240,000	-
Leasehold building	-	450,000	-
	-	690,000	-
2025			
Leasehold land	-	240,000	-
Leasehold building	-	450,000	-
	-	690,000	-

There were no transfers between Level 1 and 2 during the current or prior year.

If the leasehold land and leasehold building were measured at cost model, the carrying amounts would have been as follows:

	The Group	
	2026 RM	2025 RM
Leasehold land	129,053	130,675
Leasehold building	203,606	209,508
	332,659	340,183

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

- (c) The carrying amount of motor vehicles of the Group held under leases arrangement amounting to RM2 (2025: RM239,716).

A motor vehicle of the Group held in trust by a director of the Company had a carrying amount of RMNil (2025: RM124,085) as at the reporting date. In previous financial year, the motor vehicle was recognised as right-of-use assets. During the financial year, the motor vehicle was transferred to property, plant and equipment.

- (d) The amounts recognised in statements of profit or loss is as follows:

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Depreciation of right-of-use assets (Note 28)	1,291,166	1,750,418	347,810	347,810
Expenses relating to :				
- Short-term leases	279,181	477,029	-	-
- Low value assets	14,212	14,426	-	-
Interest expense on lease liabilities (Note 28)	203,773	242,755	34,974	55,045
Gain arising from early termination of lease contracts	-	(3,165)	-	-

8. INTANGIBLE ASSET

	Computer software	
	2026 RM	2025 RM
The Group		
Cost		
At 1 July 2025/2024	1,825,200	1,825,200
Write-offs	(1,825,200)	-
At 30 June	-	1,825,200
Accumulated amortisation		
At 1 July 2025/2024	1,673,099	1,308,059
Charge for the financial year	152,100	365,040
Write-offs	(1,825,199)	-
At 30 June	-	1,673,099
Net carrying amount		
At 30 June	-	152,101

Intangible assets with finite useful life that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful life of the intangible assets.

Intangible asset represents computer software and is amortised over a period of 5 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

9. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2026 RM	2025 RM
In Malaysia		
Unquoted shares, at cost		
At beginning of the financial year	164,328,882	149,328,882
Addition	-	15,000,000
At end of the financial year	164,328,882	164,328,882
Less: Accumulated impairment losses		
At beginning of the financial year	(3,345,158)	(5,743,659)
Impairment loss recognised during the financial year	(31,671,536)	(428,401)
Reversal	-	2,826,902
At end of the financial year	(35,016,694)	(3,345,158)
	129,312,188	160,983,724
Outside Malaysia		
Unquoted shares, at cost	1,987,331	1,987,331
	131,299,519	162,971,055

(a) Investments in subsidiaries are measured at cost less accumulated impairment losses.

The Company reviews the investments in subsidiaries measured at cost for impairment when there is an indication of impairment. The recoverable amounts of the investments 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 date.

Based on the impairment review, an impairment loss amounting to RM31,671,536 (2025: a net reversal of impairment loss amounted to RM2,398,501) on investments in subsidiaries was recognised in profit or loss.

Details of the subsidiaries are as follows:

Name of company	Country of incorporation and place of business	Effective equity interest		Principal activities
		2026 %	2025 %	
Direct Holding				
Yi-Lai Industry Berhad ("YLI")	Malaysia	100	100	Manufacture and sale of ceramic and homogeneous 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	Software developer and website designer.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

Name of company	Country of incorporation and place of business	Effective equity interest		Principal activities
		2026 %	2025 %	
Direct 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.
YB Pro Builders Sdn. Bhd. ("YB Pro")	Malaysia	100	100	Construction of buildings.
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 for building materials.

* The financial statements of these companies were examined by auditors other than the auditors of the Company.

- (b) In 2025, the Company increased its investment in Yi-Lai Marketing Sdn. Bhd., a wholly-owned subsidiary, through the subscription of 15,000,000 new ordinary shares at a total consideration of RM15,000,000 satisfied by capitalisation of amounts owing by the subsidiary to the Company.

10. INVESTMENT IN AN ASSOCIATE

	The Group	
	2026 RM	2025 RM
In Malaysia		
Unquoted shares, at cost	9,500,000	9,500,000
Share of post-acquisition reserves		
At beginning of the financial year	(2,185,344)	(5,025,711)
Share of result for the financial year, net of tax	(7,309,424)	2,840,367
At end of financial year	(9,494,768)	(2,185,344)
	<u>5,232</u>	<u>7,314,656</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

- (a) The Group measures investment in an associate using the equity method.

In applying the equity method, the Group uses the financial statements of its associate as at the same date as the financial statements of the Group.

- (b) Details of the associate are as follows:

Name of company	Country of incorporation and place of business	Effective equity interest		Principal activities
		2026 %	2025 %	
Techbase System Sdn. Bhd. ("TBS") *	Malaysia	49	49	Software developer and website designer.

* The financial statements of the company were examined by auditors other than the auditors of the Company.

- (c) The summarised financial information of the associate company of the Group is set out below:

Statement of financial position

	2026 RM	2025 RM
Non-current assets	-	10,552,009
Current assets	27,516	4,410,680
Current liabilities	(16,839)	(34,820)
Net assets attributable to shareholders	10,677	14,927,869

Statement of profit or loss and other comprehensive income

	2026 RM	2025 RM
Revenue	-	-
(Loss)/Profit and total comprehensive (loss)/income for the financial year	(14,917,192)	5,796,668
Group's share of results, net of tax	(7,309,424)	2,840,367

A reconciliation of the above summarised financial information to the carrying amount of the Group's interests are as follows:

	2026 RM	2025 RM
Net assets attributable to shareholders	10,677	14,927,869
Proportion of ownership interest held by the Group	49%	49%
Carrying amount of Group's interests in associate	5,232	7,314,656

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

11. OTHER INVESTMENTS

		The Group	
	Note	2026 RM	2025 RM
Non-current			
Financial assets measured at FVTOCI, in Malaysia			
Quoted equity investments	(a)	3,796,293	5,134,857
Investment in ICULS	(a)	7,190,340	10,785,510
		<u>10,986,633</u>	<u>15,920,367</u>
Current			
Financial assets measured at FVTPL, in Malaysia			
Quoted equity investments	(b)	2,074,262	2,364,629
Quoted derivative financial assets	(b)	2,431,968	86,101
		<u>4,506,230</u>	<u>2,450,730</u>

- (a) The Group designated the investments at FVTOCI because these investments are not held for trading. Instead, they are held for medium to long-term strategic purposes. The fair value was determined by reference to the published price quotations in an active market.
- (b) The fair value of the investment in quoted equity investments and quoted derivative financial assets intended to hold for trading was determined by reference to the published price quotations in an active market.
- (c) Details of the other investments and information about the fair value hierarchy are as follows:

	Fair values		
	Level 1 RM	Level 2 RM	Level 3 RM
The Group			
2026			
Financial assets measured at FVTOCI, in Malaysia			
Quoted equity investments	3,796,293	-	-
Investment in ICULS	7,190,340	-	-
	<u>10,986,633</u>	<u>-</u>	<u>-</u>
Financial assets measured at FVTPL, in Malaysia			
Quoted equity investments	2,074,262	-	-
Quoted derivative financial assets	2,431,968	-	-
	<u>4,506,230</u>	<u>-</u>	<u>-</u>
2025			
Financial assets measured at FVTOCI, in Malaysia			
Quoted equity investments	5,134,857	-	-
Investment in ICULS	10,785,510	-	-
	<u>15,920,367</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

	← Level 1 RM	Fair values Level 2 RM	→ Level 3 RM
Financial assets measured at FVTPL, in Malaysia			
Quoted equity investments	2,364,629	-	-
Quoted derivative financial assets	86,101	-	-
	<u>2,450,730</u>	<u>-</u>	<u>-</u>

There were no transfers between Level 1 and 2 during the current or prior year.

12. DEFERRED TAX ASSETS/(LIABILITIES)

		The Group		The Company	
	Note	2026 RM	2025 RM	2026 RM	2025 RM
Deferred tax assets					
At 1 July 2025/2024		38,801	51,553	22,098	32,777
Recognised in profit or loss	29	(27,495)	(12,752)	(11,084)	(10,679)
At 30 June		<u>11,306</u>	<u>38,801</u>	<u>11,014</u>	<u>22,098</u>
Deferred tax liabilities					
At 1 July 2025/2024		21,617,293	19,727,005	-	-
Recognised in:					
Profit or loss	29	3,836,129	2,056,905	-	-
Other comprehensive income		-	(165,103)	-	-
Exchange differences		(494)	(1,514)	-	-
At 30 June		<u>25,452,928</u>	<u>21,617,293</u>	<u>-</u>	<u>-</u>

Deferred tax assets provided in the financial statements are in respect of the tax effects on the following:

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Inventories	292	16,703	-	-
Lease liabilities	-	17,087	-	-
ICULS	11,014	22,098	11,014	22,098
	<u>11,306</u>	<u>55,888</u>	<u>11,014</u>	<u>22,098</u>
Offsetting	-	(17,087)	-	-
Deferred tax assets (after offsetting)	<u>11,306</u>	<u>38,801</u>	<u>11,014</u>	<u>22,098</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

Deferred tax liabilities provided in the financial statements are in respect of the tax effects on the following:

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Property, plant and equipment	(25,452,928)	(21,615,754)	-	-
Right-of-use assets	-	(18,626)	-	-
	(25,452,928)	(21,634,380)	-	-
Offsetting	-	17,087	-	-
Deferred tax liabilities (after offsetting)	(25,452,928)	(21,617,293)	-	-

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences, unabsorbed tax capital allowances and unutilised tax losses can be utilised.

The following deferred tax assets of the Group and of the Company have not been recognised at the end of the reporting period due to uncertainty of their realisation:

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Unutilised tax losses	18,389,861	17,295,601	-	-
Unabsorbed capital allowances	5,764,816	6,536,988	-	-
Trade receivables	88,808	109,425	-	-
Lease liabilities	31,036	22,854	7,940	9,878
	24,274,521	23,964,868	7,940	9,878

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

The unutilised tax losses in Malaysia at the end of the reporting period are expected to be disregarded by the end of following years of assessment:

	The Group	
	2026 RM	2025 RM
Year of assessment 2028	2,244,436	2,244,436
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	22,457,930	22,457,930
Year of assessment 2035	13,398,997	13,398,997
Year of assessment 2036	4,559,415	-
	76,624,421	72,065,006

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

13. INVENTORIES

	The Group	
	2026 RM	2025 RM
At cost:		
Consumables	168,760	1,593,646
Finished goods	15,273,760	9,786,126
Raw materials	-	3,163,659
Work-in-progress	-	3,638,191
	15,442,520	18,181,622
At net realisable value:		
Finished goods	5,540,988	14,729,626
	20,983,508	32,911,248

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method and comprises the original purchase price, production cost and other cost incurred in bringing the inventories to their present location and condition.

The Group writes down the slow-moving, obsolete or excess items based on the assessment of the expected selling prices, estimated cost to complete and costs to sell.

Included in the cost of inventories recognised during the financial year are the followings:

	The Group	
	2026 RM	2025 RM
Inventories recognised as cost of sales	45,479,379	69,089,116
Inventories written down	721,555	10,351,935
Inventories written off	3,096,272	140,591
Reversal of inventories written down	(74,585)	-
	49,222,621	79,581,642

Included in the other expenses of the Group, the inventories with the carrying amount of RM2,669,084 written off during the financial year was a result of the cessation of manufacturing operations of the subsidiary as disclosed in Note 38.

14. TRADE RECEIVABLES

	The Group	
	2026 RM	2025 RM
Trade receivables	11,596,247	15,649,292
Less: Loss allowance	(409,882)	(497,743)
	11,186,365	15,151,549

Trade receivables of the Group comprise amounts receivable from sale of goods. The normal credit period granted ranged from 30 to 60 days (2025: 30 to 60 days). Other credit periods granted are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

Trade receivables amounting to RM6,079,335 (2025: RM10,776,941) of the Group are secured by financial guarantees given by banks, shareholders or directors of the customers.

Movement in the loss allowance for trade receivables is as follows:

	Lifetime allowance		
	Collectively assessed RM	Individually assessed RM	Total RM
The Group			
At 1 July 2025	114,026	383,717	497,743
Reversal of impairment losses	(85,902)	-	(85,902)
Exchange differences	-	(1,959)	(1,959)
At 30 June 2026	28,124	381,758	409,882
At 1 July 2024	114,026	1,036,688	1,150,714
Reversal of impairment losses	-	(51,563)	(51,563)
Write-offs	-	(585,783)	(585,783)
Exchange differences	-	(15,625)	(15,625)
At 30 June 2025	114,026	383,717	497,743

The Group measures the loss allowances for trade receivables at an amount equal to lifetime ECL using a simplified approach. The ECL on trade receivables are assessed collectively and individually, estimated by reference to past default experience of the receivables and an analysis of the receivables' current financial position, adjusted for factors that are specific to the receivables, general economic conditions of the industry in which the receivables operate and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period.

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

	Loss allowance			
	Gross carrying amount RM	Collectively assessed credit loss RM	Individually assessed impairment loss RM	Net carrying amount RM
The Group				
2026				
Not past due	10,295,722	(26,491)	-	10,269,231
Days past due:				
1 - 30 days	557,909	(598)	-	557,311
31 - 60 days	61,913	(188)	-	61,725
61 - 90 days	113,195	(344)	-	112,851
More than 90 days	185,750	(503)	-	185,247
	918,767	(1,633)	-	917,134
Individually impaired	381,758	-	(381,758)	-
	11,596,247	(28,124)	(381,758)	11,186,365

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

The Group	Gross carrying amount RM	Collectively assessed credit loss RM	Loss allowance Individually assessed impairment loss RM	Net carrying amount RM
2025				
Not past due	13,817,559	(105,942)	-	13,711,617
Days past due:				
1 - 30 days	1,162,036	(6,858)	-	1,155,178
31 - 60 days	79,820	(194)	-	79,626
61 - 90 days	120,138	(180)	-	119,958
More than 90 days	86,022	(852)	-	85,170
	1,448,016	(8,084)	-	1,439,932
Individually impaired	383,717	-	(383,717)	-
	15,649,292	(114,026)	(383,717)	15,151,549

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

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

As at the end of the reporting period, trade receivables of the Group amounting to RM917,134 (2025: RM1,439,932) were past due but not credit-impaired. Based on historical collection experience and the absence of any adverse information as at the date of this report, the directors of the Group are of the opinion that no allowance for impairment is required in respect of these balances, as there has been no significant deterioration in credit quality and the amounts remain fully recoverable.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM381,758 (2025: RM383,717), relates to customers that are in financial difficulties or have defaulted on payments.

Transactions with related parties are disclosed in Note 34.

15. OTHER RECEIVABLES

	The Group 2026 RM	2025 RM	The Company 2026 RM	2025 RM
Other receivables	412,177	752,986	-	-
Refundable deposits	599,718	533,155	221,360	221,060
	1,011,895	1,286,141	221,360	221,060
Prepaid expenses	433,603	372,565	42,406	37,653
Advance payments to suppliers	1,774,701	567,872	-	-
	3,220,199	2,226,578	263,766	258,713

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

Included in other receivables of the Group are an amount of RM344,100 (2025: RM344,100) relating to levies paid for the application of foreign workers' permits and an amount of RM40,000 (2025: Nil) relating to the sales of motor vehicle to a third party.

Prepaid expenses of the Group comprise software subscription fees of RM8,424 (2025: Nil) paid to a related party.

Transactions with related parties are disclosed in Note 34(a).

16. CONTRACT ASSETS

Contract assets represent the Group's right to consideration in exchange for work completed on made-to-order tiles but has not been invoiced nor delivered to the customers at the end of the reporting date. When the Group issues an invoice upon delivery of goods, the amount is reclassified from contract assets to trade receivables. Contract assets are assessed for impairment in accordance with MFRS 9. Impairment losses are recognised in profit or loss, if any.

The movement of contract assets are as follow:

	The Group	
	2026 RM	2025 RM
At beginning of year	1,263,162	3,686,406
Billings issued	(1,204,117)	(9,230,601)
Recognised as revenue	60,600	6,807,357
Write-offs	(119,645)	-
	<u>-</u>	<u>-</u>
At end of year	<u>-</u>	<u>1,263,162</u>

17. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

The amounts due from/(to) subsidiaries arose mainly from non-trade transactions, advances granted/(received) and expenses paid on behalf which are unsecured, bearing interest at rate of 3% (2025: 3%) per annum and are receivable/(repayable) upon demand.

	The Company	
	2026 RM	2025 RM
Amount due from subsidiaries	15,862,588	22,051,996
Less: Accumulated impairment losses		
At beginning of the financial year	(1,508,644)	(844,977)
Recognised in profit or loss	(779,825)	(663,667)
	<u>(2,288,469)</u>	<u>(1,508,644)</u>
At end of the financial year	<u>(2,288,469)</u>	<u>(1,508,644)</u>
Net carrying amount	<u>13,574,119</u>	<u>20,543,352</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

18. FIXED DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Fixed deposits with licensed banks	1,704,192	2,143,496	-	-
Cash and bank balances	1,368,307	1,791,690	136,529	7,464
Total cash and bank balances	3,072,499	3,935,186	136,529	7,464

The effective interest rates for fixed deposits of the Group ranged from 1.75% to 2.50% (2025: 2.20% to 2.80%) per annum with maturities periods of 30 days to 365 days (2025: 30 to 365 days).

Included in fixed deposits of the Group amounting to RM1,704,192 (2025: RM2,143,496) are pledged to local licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 26.

19. ASSETS HELD FOR SALE

	Note	The Group	
		2026 RM	2025 RM
At beginning of the financial year		-	-
Transfer from property, plant and equipment	5	1,569,858	-
At end of the financial year		1,569,858	-

On 4 May 2026, the Board of Directors approved to dispose two freehold land and buildings. The subsidiary entered into the Sale and Purchase Agreement on 14 October 2026 to dispose the properties for a total consideration of RM2,100,000. These transactions had not been completed as at the date of this report.

20. SHARE CAPITAL

	The Group and The Company			
	Number of shares		Amount	
	2026 Units	2025 Units	2026 RM	2025 RM
Issued and fully paid ordinary shares with no par value				
At 1 July 2025/2024	292,145,036	291,390,336	111,154,840	110,792,213
Issuance of new shares pursuant to conversion of ICULS	492,716	754,700	236,747	362,627
At 30 June	292,637,752	292,145,036	111,391,587	111,154,840

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

- (a) During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM111,154,840 to RM111,391,587 by way of issuance of 492,716 units new ordinary shares pursuant to the conversion of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at the nominal value of RM0.04 each at a conversion price of RM0.48 per ordinary share.

In the previous financial year, the Company increased its issued and paid-up share capital by way of issuance of 754,700 new ordinary shares pursuant to the conversion of RM0.04 nominal value of ICULS at RM0.48 per ordinary share.

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

- (b) 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:

	At 01.07.2025	Number of Warrants			At 30.06.2026
		Issued	Exercised	Expired	
Warrants 2022/2025	145,250,984	-	-	(145,250,984)	-

	At 01.07.2024	Number of Warrants			At 30.06.2025
		Issued	Exercised	Expired	
Warrants 2022/2025	145,250,984	-	-	-	145,250,984

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

- 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;
- 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
- 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 ordinary shares.

The Warrants were expired on 25 September 2025 and officially delisted from Bursa Malaysia Securities Berhad on 26 September 2025.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

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

	RM		
The Group and The 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
The Group and The Company			
At 1 July 2025	47,737,524	92,072	47,829,596
Interest expense	-	2,716	2,716
Coupon payment	-	(47,889)	(47,889)
Conversion of ICULS	<u>(235,737)</u>	<u>(1,010)</u>	<u>(236,747)</u>
At 30 June 2026	<u>47,501,787</u>	<u>45,889</u>	<u>47,547,676</u>
At 1 July 2024	48,098,604	136,569	48,235,173
Interest expense	-	5,396	5,396
Coupon payment	-	(48,346)	(48,346)
Conversion of ICULS	<u>(361,080)</u>	<u>(1,547)</u>	<u>(362,627)</u>
At 30 June 2025	<u>47,737,524</u>	<u>92,072</u>	<u>47,829,596</u>

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 five (5) years tenure commencing from issuance date and matures on the date immediately preceding the fifth (5th) anniversary of the issue date.

The ICULS holders are entitled to convert the ICULS into new ordinary shares of the Company during the five (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 end of the reporting date, the total number of ICULS that remain outstanding were 1,191,409,387 (2025: 1,197,321,987).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

22. TREASURY SHARES AND RESERVES

		The Group		The Company	
	Note	2026 RM	2025 RM	2026 RM	2025 RM
Treasury shares	(a)	<u>(256,687)</u>	<u>(256,687)</u>	<u>(256,687)</u>	<u>(256,687)</u>
Reserves (Accumulated losses)/Retained earnings		(49,380,120)	(17,292,264)	(14,992,826)	13,842,451
Non-distributable:					
Foreign currency translation reserve	(b)	4,081,972	4,221,752	-	-
Fair value reserve	(c)	(37,133,205)	(29,310,240)	-	-
Revaluation reserve	(d)	91,796,834	91,796,834	-	-
		<u>58,745,601</u>	<u>66,708,346</u>	<u>-</u>	<u>-</u>
Total reserves		<u>9,365,481</u>	<u>49,416,082</u>	<u>(14,992,826)</u>	<u>13,842,451</u>

(a) Treasury shares

At the end of the reporting date, there are 808,166 (2025: 808,166) treasury shares held by the Company. The number of ordinary shares in issue after excluding the treasury shares is 291,829,586 (2025: 291,336,870).

The mandate given by the shareholders to purchase own shares will expire at the forthcoming Annual General Meeting ("AGM") and an ordinary resolution needs to be tabled at the AGM for shareholders to grant a fresh mandate for another year.

(b) Foreign currency translation reserve

Exchange rate differences relating to the translation from the functional currency of the Group's foreign entity into Ringgit Malaysia are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

(c) Fair value reserve

The fair value reserve represents the cumulative gains and losses arising on the changes in fair value of investments designated at FVTOCI, net of cumulative gains or losses transferred to retained earnings upon disposal.

(d) Revaluation reserve

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

23. LEASE LIABILITIES

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At 1 July 2025/2024	3,618,571	2,992,006	821,404	1,182,454
Additions	498,822	2,250,993	-	-
Early termination of lease contracts	-	(52,808)	-	-
Modification of lease contracts	-	(32,325)	-	-
Interest expenses	203,773	242,755	34,974	55,045
Payment of interest	(203,773)	(242,755)	(34,974)	(55,045)
Payment of principal	(1,406,755)	(1,527,161)	(382,779)	(361,050)
Exchange differences	(14,924)	(12,134)	-	-
At 30 June	<u>2,695,714</u>	<u>3,618,571</u>	<u>438,625</u>	<u>821,404</u>

The Group and the Company entered lease arrangements in respect of certain office premises, hostels, warehouse and motor vehicles. The Group and the Company have elected the "lease of low-value assets" exemptions for short-term lease and low-value assets.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the Group and the Company measure the lease liabilities by increasing the carrying amount to reflect interest on the lease liabilities, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

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

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Maturity analysis:				
Within one year	1,244,960	1,280,544	417,753	417,753
After one year but not more than five years	1,743,364	2,732,136	34,813	452,566
More than five years	-	76,000	-	-
Total minimum lease payments	2,988,324	4,088,680	452,566	870,319
Less: Future finance charges	(292,610)	(470,109)	(13,941)	(48,915)
	<u>2,695,714</u>	<u>3,618,571</u>	<u>438,625</u>	<u>821,404</u>
	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Analysed as:				
Current portion	1,110,635	1,095,559	403,968	382,779
Non-current portion	1,585,079	2,523,012	34,657	438,625
	<u>2,695,714</u>	<u>3,618,571</u>	<u>438,625</u>	<u>821,404</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

The non-current portion is repayable as follows:

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
After one year but not more than five years	1,585,079	2,447,639	34,657	438,625
More than five years	-	75,373	-	-
	<u>1,585,079</u>	<u>2,523,012</u>	<u>34,657</u>	<u>438,625</u>

The Group and the Company did not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities were monitored within the Group's and the Company's financial risk management. The effective interest rates of the lease liabilities of the Group and of the Company ranged from 4.10% to 6.65% and 5.40% (2025: 4.04% to 6.65% and 5.40%) per annum respectively.

24. TRADE PAYABLES

	The Group	
	2026 RM	2025 RM
Trade payables	3,267,206	4,444,300
Trade accruals	<u>1,808,544</u>	<u>690,127</u>
	<u>5,075,750</u>	<u>5,134,427</u>

Trade payables of the Group comprised amounts outstanding for trade purchases which are unsecured, interest-free with credit period granted to the Group ranging from 30 to 90 days (2025: 30 to 90 days).

25. OTHER PAYABLES

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Other payables	1,248,320	2,164,390	4,504	25,585
Accrued expenses	1,365,699	2,474,227	126,048	123,436
Deposits received	<u>139,598</u>	<u>248,143</u>	<u>-</u>	<u>-</u>
	<u>2,753,617</u>	<u>4,886,760</u>	<u>130,552</u>	<u>149,021</u>

Other payables of the Group and of the Company comprised amounts outstanding for ongoing costs which are unsecured, interest-free and are repayable upon demand.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

26. BANK BORROWINGS

	The Group	
	2026 RM	2025 RM
Secured:		
Bank overdraft	4,210,736	7,983,760
Banker acceptance	12,842,840	11,083,772
Receivables factoring	-	1,437,973
	17,053,576	20,505,505
Analysed as:		
Amount due within 12 months (shown under current liabilities)	17,053,576	20,505,505

The banking facilities of the Group obtained from local licensed banks are secured by:

- (a) a first legal charge over a freehold land and freehold building of a subsidiary as disclosed in Note 5;
- (b) fixed deposits of a subsidiary as mentioned in Note 18; and
- (c) corporate guaranteed by the Company.

The effective interest rates per annum are as follows:

	The Group	
	2026 %	2025 %
Bank overdraft	5.30 - 6.45	5.55 - 7.85
Banker acceptance	3.45 - 5.55	3.77 - 6.09
Receivables factoring	-	4.50 - 4.80

27. REVENUE

	The Group	
	2026 RM	2025 RM
Sales of tiles	50,197,062	58,060,368
Sales of made-to-order tiles	60,600	6,807,357
	50,257,662	64,867,725
Timing of revenue recognition:		
At a point in time	50,197,062	58,060,368
Over time	60,600	6,807,357
	50,257,662	64,867,725

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

(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.

(b) Sales of made-to-order tiles

The Group enters into contracts with the customers for the sales of made-to-order tiles. Revenue from these contracts is recognised overtime based on costs incurred and the products manufactured have no alternative use. The Group has enforceable right to payment for performance completed to-date.

28. (LOSS)/PROFIT BEFORE TAX

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

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Auditors' remuneration:				
- Statutory audit fees:				
- Malaysia operations	214,500	207,000	70,000	56,000
- Overseas operation	32,131	31,470	-	-
- Other assurance services	5,500	5,000	5,500	5,000
Amortisation of intangible asset	152,100	365,040	-	-
Bad debts recovered	-	(15,000)	-	-
Change in fair value loss on other investments	1,088,770	1,242,585	-	-
Depreciation of:				
- Property, plant and equipment	4,211,757	8,460,153	84,924	83,458
- Right-of-use assets	1,291,166	1,750,418	347,810	347,810
- Investment properties	704,669	585,264	-	-
Dividend income from other investments	(2,750)	(18,019)	-	-
Employee benefit expenses (Note 30)	8,122,733	13,943,533	192,000	204,000
Employee retrenchment expenses	3,732,033	-	-	-
Expenses relating to:				
- Short-term leases	279,181	477,029	-	-
- Low value assets	14,212	14,426	-	-
Gain arising from early termination of lease contracts	-	(3,165)	-	-
(Gain)/Loss on disposals of:				
- Property, plant and equipment	(2,659,605)	74,183	-	-
- Investment properties	196,932	-	-	-
- Right-of-use assets	(134,491)	-	-	-
- Other investments at FVTPL	74,092	436,469	-	-
- Assets held for sale	-	(50,340)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Gas supply early termination charges	2,029,471	-	-	-
Impairment loss on:				
- Property, plant and equipment	-	32,016,634	-	-
- Investment in subsidiaries	-	-	31,671,536	428,401
- Amount due from subsidiaries	-	-	779,825	663,667
Interest expense on:				
- Bank borrowings	1,095,319	1,136,038	-	-
- Lease liabilities	203,773	242,755	34,974	55,045
- ICULS	2,716	5,396	2,716	5,396
- Amount due to a subsidiary	-	-	324,960	-
Interest income on:				
- Other investments	(17,976)	-	-	-
- Amount due from subsidiaries	-	-	(652,194)	(785,369)
- Deposits with licensed banks	(51,139)	(68,788)	(8,404)	-
Inventories written down	721,555	10,351,935	-	-
(Gain)/Loss on foreign exchange:				
- Realised	(120,789)	(169,639)	-	-
- Unrealised	117,444	(2,787)	-	-
Loss on warrant expired	12,300	-	-	-
Rental income	(262,400)	(144,660)	-	-
Reversal of impairment loss on:				
- Investment in subsidiaries	-	-	-	(2,826,902)
- Trade receivables	(85,902)	(51,563)	-	-
Reversal of inventories written down	(74,585)	-	-	-
Share of results of associate, net of tax	7,309,424	(2,840,367)	-	-
Waiver of debts	(4,462,000)	-	(4,408,186)	-
Write-offs of:				
- Property, plant and equipment	102,692	401,993	-	-
- Intangible asset	1	-	-	-
- Inventories	3,096,272	140,591	-	-
- Trade receivables	41,611	-	-	-
- Contract assets	119,645	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

29. TAX EXPENSES

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Income tax expenses comprise:				
Current year	35,477	58,239	-	8,000
Under provision in prior year	24,926	2,631	11,086	-
	60,403	60,870	11,086	8,000
Deferred tax: (Note 12)				
Relating to origination and reversal of temporary differences	(10,279)	6,957,052	11,084	10,679
Under/(Over) provision in prior year	3,873,903	(4,887,395)	-	-
	3,863,624	2,069,657	11,084	10,679
Real Property Gains Tax	-	55,184	-	-
	3,924,027	2,185,711	22,170	18,679

Malaysian income tax is calculated at the statutory tax rate of 24% (2025: 24%) of the estimated taxable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

A numerical reconciliation of income tax expense at the applicable income tax rate to tax expense at the effective tax rate of the Group and of the Company are as follows:

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
(Loss)/Profit before tax	(28,163,829)	(63,178,332)	(28,813,107)	1,514,763
Tax at applicable tax rate of 24% (2025: 24%)	(6,759,319)	(15,162,800)	(6,915,146)	363,543
Tax effects of:				
Income not taxable in determining taxable profit	(1,139,555)	(8,593)	(1,057,965)	(678,456)
Expenses not deductible in determining taxable profit	7,619,151	3,635,707	7,986,133	330,850
Different in tax rates in foreign jurisdictions	(4,732)	(37,834)	-	-
Deferred tax assets not recognised	311,591	18,588,811	(1,938)	2,742
Utilisation of deferred tax assets previously not recognised	(1,938)	-	-	-
Under/(Over) provision in prior year:				
Income tax	24,926	2,631	11,086	-
Deferred tax	3,873,903	(4,887,395)	-	-
Real Property Gains Tax	-	55,184	-	-
Total tax expenses	3,924,027	2,185,711	22,170	18,679

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

30. EMPLOYEE BENEFIT EXPENSES

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Directors' fee	192,000	204,000	192,000	204,000
Salaries, wages and other emoluments	7,107,097	12,527,818	-	-
Contribution to defined contribution plan	823,636	1,211,715	-	-
	<u>8,122,733</u>	<u>13,943,533</u>	<u>192,000</u>	<u>204,000</u>

Included in employee benefit expenses is the aggregate amount of remuneration received and receivable by the directors of the Company during the financial year are as below:

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Directors' fee	192,000	204,000	192,000	204,000
Salaries, wages and others emoluments	120,000	120,000	-	-
Contribution to defined contribution plan	14,400	14,400	-	-
	<u>326,400</u>	<u>338,400</u>	<u>192,000</u>	<u>204,000</u>

31. LOSS PER SHARE

(a) Basic loss per ordinary share

The basic loss per ordinary share attributable to owners of the Company is computed by dividing loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

The basic loss per share is calculated as follows:

	The Group	
	2026 RM	2025 RM
Loss attributable to owners of the Company	<u>(32,087,856)</u>	<u>(65,364,043)</u>
	Units	Units
Weighted average number of ordinary shares in issue (excluding treasury shares)		
Ordinary shares issued at 1 July 2025/2024	291,336,870	290,582,170
Effect of conversion of ICULS	<u>126,855</u>	<u>517,468</u>
Weighted average number of ordinary shares in issue at 30 June (excluding treasury shares)	<u>291,463,725</u>	<u>291,099,638</u>
Basic loss per share (sen)	<u>(11.01)</u>	<u>(22.45)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

(b) Diluted loss per ordinary share

The Warrants expired during the financial year. In the previous financial year, the Warrants have no effect on the diluted loss per ordinary share as Warrants has a dilutive effect only when the average market price of ordinary share exceeds the exercise price of the Warrants. There are no potential dilutive ordinary shares. Accordingly, the diluted loss per ordinary share is not presented. Potential shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share.

33. STATEMENTS OF CASH FLOWS

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

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risks of changes in value.

(a) Purchase of property, plant and equipment

Property, plant and equipment were acquired by the followings means:

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Cash payment	468,788	858,281	1,550	-
Included in amount due to a subsidiary	-	-	-	10,807
	<u>468,788</u>	<u>858,281</u>	<u>1,550</u>	<u>10,807</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's and in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and in the Company's statements of cash flows as cash flows used in financing activities:

The Group		At 01.07.2025 RM	Financing cash flows RM	New lease liabilities (Note 23) RM	Other non-cash transactions* RM	At 30.06.2026 RM
	Amount owing to an associate	-	4,462,000	-	(4,462,000)	-
21	ICULS liability component	92,072	(47,889)	-	1,706	45,889
23	Lease liabilities	3,618,571	(1,406,755)	498,822	(14,924)	2,695,714
26	Bank borrowings	20,505,505	(3,537,092)	-	85,163	17,053,576
The Group		At 01.07.2024 RM	Financing cash flows RM	New lease liabilities (Note 23) RM	Other non-cash transactions* RM	At 30.06.2025 RM
21	ICULS liability component	136,569	(48,346)	-	3,849	92,072
23	Lease liabilities	2,992,006	(1,527,161)	2,250,993	(97,267)	3,618,571
26	Bank borrowings	24,513,365	(4,000,974)	-	(6,886)	20,505,505

(Forward)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

The Company	Note	At 01.07.2025 RM	Financing cash flows RM	Other non-cash transactions** RM	At 30.06.2026 RM
ICULS liability component	21	92,072	(47,889)	1,706	45,889
Lease liabilities	23	821,404	(382,779)	-	438,625
Amount due to subsidiaries	17	11,326,587	(5,546,196)	(4,083,226)	1,697,165
	Note	At 01.07.2024 RM	Financing cash flows RM	Other non-cash transactions** RM	At 30.06.2025 RM
ICULS liability component	21	136,569	(48,346)	3,849	92,072
Lease liabilities	23	1,182,454	(361,050)	-	821,404
Amount due to subsidiaries	17	404,270	(4,088,490)	15,010,807	11,326,587

* Other non-cash transactions include the waiver of debts, ICULS interest capitalised, conversion of ICULS, interest expense, foreign currency exchange differences on lease liabilities and unrealised foreign exchange on bank borrowings.

** Other non-cash transactions include the ICULS interest capitalised, conversion of ICULS, interest expense, purchase of property, plant and equipment payable and assignment of debts from a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

(c) Cash and cash equivalents

Cash and cash equivalents at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the statements of financial position as follows:

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Cash and bank balances	1,368,307	1,791,690	136,529	7,464
Fixed deposits with licensed banks	1,704,192	2,143,496	-	-
Total fixed deposits, cash and bank balances	3,072,499	3,935,186	136,529	7,464
Less:				
Fixed deposits pledged to licensed banks	(1,704,192)	(2,143,496)	-	-
Cash and cash equivalents	1,368,307	1,791,690	136,529	7,464

33. CAPITAL COMMITMENT

The Group has commitments in respect of intangible assets as follows:

	The Group	
	2026 RM	2025 RM
Capital expenditure:		
Approved and contracted for	98,300	-

34. RELATED COMPANY AND RELATED PARTY TRANSACTIONS

(a) Related party transactions between the Group and the Company with related parties were carried out under terms and conditions negotiated amongst the related parties. Other than as disclosed elsewhere in the financial statements, the related parties with the Group and the Company are as follows:

	2026 RM	2025 RM
The Group		
Transactions with an associate		
Advances received	4,462,000	-
Waiver of debts	(4,462,000)	-
Transactions with a company in which a director of the Company has interests		
Software and website development fee	10,600	34,200
Software subscription fee	96,600	38,440
Rental income	(96,000)	-
The Company		
Transactions with subsidiaries		
Interest income received/receivable	652,194	785,369
Interest expense payable	(324,960)	-
Assignment of debts	-	(15,000,000)
Purchase of property, plant and equipment	-	(10,807)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

(b) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company include members of senior management. The remuneration of directors is disclosed in Note 30. The remuneration of other members of key management personnel of the Group are as follows:

	The Group	
	2026 RM	2025 RM
Salaries and other allowances	410,310	384,778
Defined contribution plan	47,196	44,256
	<u>457,506</u>	<u>429,034</u>

35. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reporting structure that are regularly reviewed by the chief operating decision maker and senior management of the Group for the purposes of allocating resources to the segments and assessing the performance of respective segments. For management purposes, the Group is organised into the following operating divisions:

- (i) Manufacturing and trading Manufacture and sale of ceramic and homogeneous tiles
- (ii) Others Investment holding and dormant entities

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

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

(a) Business segment

The Group	Manufacturing and trading RM	Others RM	Eliminations RM	Consolidated RM
2026				
Revenue				
External customers	50,257,662	-	-	50,257,662
Inter-segment	25,034,742	-	(25,034,742)	-
Total revenue	<u>75,292,404</u>	<u>-</u>	<u>(25,034,742)</u>	<u>50,257,662</u>
Results				
Operating (loss)/profit	(35,875,022)	(38,915,676)	55,166,236	(19,624,462)
Finance income	490,611	962,698	(1,381,444)	71,865
Finance costs	(1,366,573)	(1,316,679)	1,381,444	(1,301,808)
Share of results of an associate, net of tax				<u>(7,309,424)</u>
Loss before tax				(28,163,829)
Tax expenses				<u>(3,924,027)</u>
Loss for the financial year				<u>(32,087,856)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

	Manufacturing and trading RM	Others RM	Eliminations RM	Consolidated RM
The Group				
2026				
Other information				
Amortisation of intangible assets	(152,100)	-	-	(152,100)
Change in fair value loss on other investments	(1,088,770)	-	-	(1,088,770)
Depreciation of:				
- Property, plant and equipment	(4,126,833)	(84,924)	-	(4,211,757)
- Investment properties	-	(704,669)	-	(704,669)
- Right-of-use assets	(943,356)	(347,810)	-	(1,291,166)
Dividend income from other investments	2,750	-	-	2,750
Employee retrenchment expenses	(3,732,033)	-	-	(3,732,033)
Gain/(Loss) on disposal of:				
- Property, plant and equipment	2,659,605	-	-	2,659,605
- Investment properties	-	(196,932)	-	(196,932)
- Right-of-use assets	134,491	-	-	134,491
- Other investments at FVTPL	(74,092)	-	-	(74,092)
Gain/(Loss) on foreign exchange:				
- Realised	120,789	-	-	120,789
- Unrealised	(117,444)	-	-	(117,444)
Gas supply early termination charges	(2,029,471)	-	-	(2,029,471)
Loss on warrant expired	(12,300)	-	-	(12,300)
Impairment loss on:				
- Investment in subsidiaries	-	(32,925,552)	32,925,552	-
- Investment in an associate	-	(7,309,424)	7,309,424	-
- Amount due from subsidiaries	-	(998,995)	998,995	-
Interest expenses on:				
- Bank borrowings	(1,095,319)	-	-	(1,095,319)
- Lease liabilities	(168,799)	(34,974)	-	(203,773)
- ICULS	-	(2,716)	-	(2,716)
Interest income on:				
- Other investments	17,976	-	-	17,976
- Deposits with licensed banks	42,470	8,669	-	51,139
Inventories written down	(721,555)	-	-	(721,555)
Rental income	103,400	216,000	(57,000)	262,400
Reversal of impairment loss on trade receivables	85,902	-	-	85,902
Reversal of inventories written down	74,585	-	-	74,585
Waiver of debts	-	8,870,186	(4,408,186)	4,462,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

	Manufacturing and trading RM	Others RM	Eliminations RM	Consolidated RM
The Group				
2026				
Other information				
Write-offs of:				
- Property, plant and equipment	(102,692)	-	-	(102,692)
- Intangible asset	(1)	-	-	(1)
- Inventories	(3,096,272)	-	-	(3,096,272)
- Trade receivables	(41,611)	-	-	(41,611)
- Contract assets	(119,645)	-	-	(119,645)
Segment assets	208,132,518	173,683,436	(160,684,642)	221,131,312
Segment liabilities	71,458,371	22,029,081	(40,358,308)	53,129,144
Assets				
Capital expenditure	966,060	1,550	-	967,610
The Group				
2025				
Revenue				
External customers	64,867,725	-	-	64,867,725
Inter-segment	36,155,321	-	(36,155,321)	-
Total revenue	101,023,046	-	(36,155,321)	64,867,725
Results				
Operating loss	(62,940,846)	2,387,876	(4,168,347)	(64,721,317)
Finance income	86,402	1,032,797	(1,032,392)	86,807
Finance costs	(1,531,861)	(884,720)	1,032,392	(1,384,189)
Share of results of an associate, net of tax				2,840,367
Loss before tax				(63,178,332)
Tax expenses				(2,185,711)
Loss for the financial year				(65,364,043)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

	Manufacturing and trading RM	Others RM	Eliminations RM	Consolidated RM
The Group				
2025				
Other information				
Amortisation of intangible assets	(365,040)	-	-	(365,040)
Bad debts recovered	15,000	-	-	15,000
Change in fair value loss on other investments	(1,242,585)	-	-	(1,242,585)
Depreciation of:				
- Property, plant and equipment	(8,376,695)	(83,458)	-	(8,460,153)
- Investment properties	-	(585,264)	-	(585,264)
- Right-of-use assets	(1,402,608)	(347,810)	-	(1,750,418)
Dividend income from other investments	18,019	-	-	18,019
Gain arising from early termination of lease contracts	3,165	-	-	3,165
(Loss)/Gain on disposal of:				
- Property, plant and equipment	(74,183)	-	-	(74,183)
- Other investments at FVTPL	(436,469)	-	-	(436,469)
- Assets held for sale	50,340	-	-	50,340
Gain/(Loss) on foreign exchange:				
- Realised	(169,639)	-	-	(169,639)
- Unrealised	2,787	-	-	2,787
Impairment loss on:				
- Property, plant and equipment	(32,016,634)	-	-	(32,016,634)
- Investment in subsidiaries	-	(843,983)	843,983	-
- Amount due from subsidiaries	-	(663,667)	663,667	-
Interest expenses on:				
- Bank borrowings	(1,136,038)	-	-	(1,136,038)
- Lease liabilities	(187,710)	(55,045)	-	(242,755)
- ICULS	-	(5,396)	-	(5,396)
Interest income on deposits with licensed banks	68,383	405	-	68,788
Inventories written down	(10,351,935)	-	-	(10,351,935)
Rental income	141,660	60,000	-	144,660
Reversal of impairment loss on trade receivables	51,563	-	(57,000)	51,563
Write-offs of:				
- Property, plant and equipment	(401,993)	-	-	(401,993)
- Inventories	(140,591)	-	-	(140,591)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

	Manufacturing and trading RM	Others RM	Eliminations RM	Consolidated RM
The Group				
2025				
Segment assets	247,406,765	235,780,398	(219,230,440)	263,956,723
Segment liabilities	62,036,312	45,073,175	(51,204,523)	55,904,964
Assets				
Capital expenditure	3,109,273	1,249,989	(10,807)	4,348,455

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

(b) Geographic information

The analysis of the Group's segment revenue from external customers by geographical area based on the region in which the customer is located is as follows:

	The Group	
	2026 RM	2025 RM
Malaysia	42,254,703	54,689,592
Singapore	7,349,633	9,253,128
Others	653,326	925,005
	<u>50,257,662</u>	<u>64,867,725</u>

(c) Major customers

No single customer contributed 10% or more of the Group's revenue during the financial year. In the previous financial year, revenue from one major customer amounted to RM9,099,675, arising from the manufacturing and trading segment.

36. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group's and the Company's statements of financial position when the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating interest income and interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses ("ECL"), through the expected life of the financial asset or financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is 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 ("SPPI") on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income ("FVTOCI"):

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

By default, all other financial assets are measured subsequently at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

Amortised cost

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Categories of financial instruments

	The Group		The Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Financial assets:				
At FVTOCI:				
Other investments	10,986,633	15,920,367	-	-
At FVTPL:				
Other investments	4,506,230	2,450,730	-	-
At amortised cost:				
Trade receivables	11,186,365	15,151,549	-	-
Other receivables	1,011,895	1,286,141	221,360	221,060
Amount due from subsidiaries	-	-	13,574,119	20,543,352
Fixed deposits, cash and bank balances	3,072,499	3,935,186	136,529	7,464
Financial liabilities:				
At amortised cost:				
Trade payables	5,075,750	5,134,427	-	-
Other payables	2,753,617	4,886,760	130,552	149,021
Bank borrowings	17,053,576	20,505,505	-	-
Lease liabilities	2,695,714	3,618,571	438,625	821,404
ICULS liability component	45,889	92,072	45,889	92,072
Amount due to subsidiaries	-	-	1,697,165	11,326,587

Financial Risk Management Objectives and Policies

Risk management is integral to the whole business of the Group. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities.

There has been no change to the Group's exposure to these financial risks or the manner in which the Group manages and measures the risk.

(a) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The exposure of the Group and of the Company to credit risk arises principally from their receivables and other financial assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

Receivables

The Group established policies on credit control involves comprehensive credit evaluations, setting up appropriate credit limits, ensuring the sales are made to customers with good credit history and regular review of customers' outstanding balances and payment trends. The Group considers the risk of material loss in the event of non-performance by the customers is insignificant.

As the Group did not hold any collateral, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position. A significant portion of trade receivables are regular customers of the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables.

The ageing of trade receivables that are past due is disclosed in Note 14.

At the end of the reporting period, the Group has significant concentration of credit risk by 21% (2025: 30%) of its trade receivables balance which is attributable to 2 (two) (2025: 2 (two)) trade receivables.

Amount Due From Subsidiaries

The credit risk on advances made to subsidiaries that are receivable on demand is managed on a Group basis by management of the Company to ensure that risk of losses incurred by the Company due to non-repayment by subsidiaries is minimal.

Generally, the Company considers advances to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiaries' financial position deteriorates significantly. The Company considers a subsidiary's advances to be credit impaired when:

- The subsidiary is unlikely to repay its advance to the Company in full;
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

At the end of the reporting period, the maximum exposure to credit risk of the Company arising from amount due from subsidiaries is represented by the carrying amounts in the statements of financial position.

Financial Guarantee

The Company provides unsecured financial guarantees to licensed banks in respect of banking facilities granted to the subsidiaries. The Company monitors on an ongoing basis the trend of repayments made by the subsidiaries.

The maximum exposure to credit risk amounts to RM17,053,576 (2025: RM20,505,505) representing banking facilities utilised as of the end of the reporting period by the subsidiaries. Bank guarantee of the Group provided to third parties amounted to RM2,424,084 (2025: RM5,504,519).

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to subsidiaries' secured borrowings.

At the end of the reporting period, there was no indication that the subsidiaries would default on repayment.

Other Financial Assets

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

(b) Liquidity and cash flow risks management

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and financial liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

Management is of the view that the Group's and the Company's exposure to liquidity and cash flow risks are minimal as the Group and the Company have sufficient funds to finance its ongoing working capital requirements. The Group's and the Company's principal source of liquidity has historically been cash flows from operations and funds obtained from short-term and long-term borrowings.

The Group and the Company expect that cash generated from its operations, its existing credit facilities and the trade terms provided by its suppliers will be sufficient to meet the Group's and the Company's currently anticipated capital expenditure and working capital needs for the next twelve (12) months.

The following tables detail the Group's and the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. 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 are required to pay. The table includes both interest and principal cash flows.

The Group	On demand or within one year RM	One year to five years RM	Over five years RM	Total RM
2026				
Non-derivative financial liabilities:				
Trade payables	5,075,750	-	-	5,075,750
Other payables	2,753,617	-	-	2,753,617
Bank borrowings	17,053,576	-	-	17,053,576
Lease liabilities	1,244,960	1,743,364	-	2,988,324
ICULS liability component	47,889	-	-	47,889
Bank guarantee*	2,424,084	-	-	2,424,084
Total undiscounted non-derivative financial liabilities	28,599,876	1,743,364	-	30,343,240
2025				
Non-derivative financial liabilities:				
Trade payables	5,134,427	-	-	5,134,427
Other payables	4,886,760	-	-	4,886,760
Bank borrowings	20,505,505	-	-	20,505,505
Lease liabilities	1,280,544	2,732,136	76,000	4,088,680
ICULS liability component	48,347	48,655	-	97,002
Bank guarantee*	5,504,519	-	-	5,504,519
Total undiscounted non-derivative financial liabilities	37,360,102	2,780,791	76,000	40,216,893

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

The Company	On demand or within one year RM	One year to five years RM	Over five years RM	Total RM
2026				
Non-derivative financial liabilities:				
Other payables	130,552	-	-	130,552
Lease liabilities	417,753	34,813	-	452,566
ICULS liability component	47,889	-	-	47,889
Amount due to a subsidiary	1,697,165	-	-	1,697,165
Financial guarantee*	17,053,576	-	-	17,053,576
Total undiscounted non-derivative financial liabilities	<u>19,346,935</u>	<u>34,813</u>	<u>-</u>	<u>19,381,748</u>
2025				
Non-derivative financial liabilities:				
Other payables	149,021	-	-	149,021
Lease liabilities	417,753	452,566	-	870,319
ICULS liability component	48,347	48,655	-	97,002
Amount due to a subsidiary	11,326,587	-	-	11,326,587
Financial guarantee*	20,505,505	-	-	20,505,505
Total undiscounted non-derivative financial liabilities	<u>32,447,213</u>	<u>501,221</u>	<u>-</u>	<u>32,948,434</u>

* The maximum exposure is determined based on the maximum amount that can be called under the bank guarantee and financial guarantee contracts.

The Group and the Company have not committed to any derivative financial instruments during the respective financial years.

(c) Market risk management

(i) Foreign currency risk

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

The Group is exposed to the effects of foreign currency exchange rate fluctuations primarily in relation to Singapore Dollar ("SGD"), United States Dollar ("USD") and Euro ("EUR") arising from manufacturing and trading activities.

The Group has not entered into any derivative instruments for either hedging or trading purposes. The Group seeks to minimise its exposure to foreign currency risk, where possible, through natural hedging by matching sales and purchases in the same currency. Foreign currency exposures are monitored by Management on an ongoing basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

The carrying amounts of the foreign currency denominated monetary assets and monetary liabilities of the Group at the end of the reporting period are disclosed as follows:

The Group	Denominated in				Total RM
	SGD RM	USD RM	EUR RM	Others RM	
2026					
Fixed deposits, cash and bank balances	510,410	39,935	1,507	149	552,001
Trade and other receivables	2,037,377	-	-	-	2,037,377
Trade and other payables	(359,113)	-	(130,687)	-	(489,800)
Lease liabilities	(261,956)	-	-	-	(261,956)
Bank borrowings	-	(4,391,646)	-	-	(4,391,646)
	<u>1,926,718</u>	<u>(4,351,711)</u>	<u>(129,180)</u>	<u>149</u>	<u>(2,554,024)</u>
2025					
Fixed deposits, cash and bank balances	631,226	261,196	17,423	149	909,994
Trade and other receivables	1,788,537	-	-	-	1,788,537
Trade and other payables	(756,656)	(1,070,662)	(178,392)	-	(2,005,710)
Lease liabilities	(17,938)	-	-	-	(17,938)
Bank borrowings	-	(660,583)	-	-	(660,583)
	<u>1,645,169</u>	<u>(1,470,049)</u>	<u>(160,969)</u>	<u>149</u>	<u>14,300</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

Foreign currency sensitivity analysis

The following sensitivity analysis includes only outstanding foreign currency denominated monetary items.

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.

		The Group	
		2026 RM	2025 RM
Impact on profit or loss and equity:			
SGD	Strengthened 5% (2025:5%)	96,336	82,258
	Weakened 5% (2025:5%)	<u>(96,336)</u>	<u>(82,258)</u>
USD	Strengthened 5% (2025:5%)	(217,586)	(73,502)
	Weakened 5% (2025:5%)	<u>217,586</u>	<u>73,502</u>
EUR	Strengthened 5% (2025:5%)	(6,459)	(8,048)
	Weakened 5% (2025:5%)	<u>6,459</u>	<u>8,048</u>
Others	Strengthened 5% (2025:5%)	7	7
	Weakened 5% (2025:5%)	<u>(7)</u>	<u>(7)</u>

(ii) Interest rate risk

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

The Group and the Company finance their operations by a mixture of internal funds and bank and other borrowings. The Group and the Company regularly review the interest rate profile of borrowings against prevailing and anticipated market rates. The repayment and maturity profiles of borrowings are structured after taking into consideration the cash inflows expected to be generated from the underlying assets or operations and the economic life of the assets or operations being financed.

The policy of the Group and of the Company is to borrow both on the fixed and floating rate basis. The objective for the mix between fixed and floating rate borrowings is set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

Interest rate risk sensitivity analysis

At the end of the reporting period, if interest rates increase/decrease by 100 basis points (2025: 100 basis points), with all other variables held constant, the Group's loss before tax would have been RM42,107 (2025: RM79,838) higher/lower arising mainly as a result of higher/lower interest expenses on floating rate borrowings. The assumed movement in the interest rates for interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

(iii) 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 shares in Malaysia.

Market price sensitivity analysis

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

Impact on:	The Group		Other comprehensive income	
	2026	2025	2026	2025
	Loss before tax RM	RM	RM	RM
Strengthened 1% (2025:1%)	45,062	24,507	109,866	159,204
Weakened 1% (2025:1%)	<u>(45,062)</u>	<u>(24,507)</u>	<u>(109,866)</u>	<u>(159,204)</u>

(d) Fair values of financial instruments

The carrying amounts of the short-term financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturities of these financial instruments.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

The fair value of investment in quoted equity investments, which are classified as Level 1 in fair value hierarchy, are measured based on year-end quoted prices in an active market. There were no transfers between Level 1 and Level 2 in current and previous financial year.

The carrying amounts of bank borrowings of the Group as at the end of the reporting period are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair value of lease liabilities has been estimated using discounted cash flow analysis based on the indicative current interest rates for similar types of lease liabilities arrangement as at the end of the financial reporting period, and approximate to its carrying amount.

37. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from previous year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

The capital structure of the Group consists of net debt and equity.

	The Group	
	2026 RM	2025 RM
Bank borrowings	17,053,576	20,505,505
Lease liabilities	2,695,714	3,618,571
Less: Fixed deposits, cash and bank balances	(3,072,499)	(3,935,186)
Net debt	16,676,791	20,188,890
Shareholders' equity	168,002,168	208,051,759
	2026	2025
Debt-to-equity ratio	0.099	0.097

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

38. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

During the current financial year, a subsidiary of the Group, Yi-Lai Industry Berhad, formally ceased its manufacturing operations as part of its business transition and continues to carry on its principal activities through the trading and distribution of tiles.

Following the cessation of its manufacturing operations, the subsidiary recognised inventories written off amounting to RM2,669,084, employee retrenchment expenses amounting to RM3,732,033 arising from the rationalisation of its manufacturing activities and workforce, and gas supply early termination charges amounting to RM2,029,471 during the financial year.

39. SUBSEQUENT EVENTS

- On 20 July 2026, the issued and paid-up ordinary share capital of the Company was increased from RM111,391,587 to RM111,631,832 by way of issuance of 500,000 units new ordinary shares pursuant to the conversion of ICULS at the nominal value of RM0.04 each at a conversion price of RM0.48 per ordinary share.
- On 13 August 2026, the issued and paid-up ordinary share capital of the Company was increased from RM111,631,832 to RM111,658,993 by way of issuance of 56,527 units new ordinary shares pursuant to the conversion of ICULS at the nominal value of RM0.04 each at a conversion price of RM0.48 per ordinary share.
- On 20 August 2026, the issued and paid-up ordinary share capital of the Company was increased from RM111,658,993 to RM111,999,053 by way of issuance of 707,733 units new ordinary shares pursuant to the conversion of ICULS at the nominal value of RM0.04 each at a conversion price of RM0.48 per ordinary share.
- On 28 August 2026, the issued and paid-up ordinary share capital of the Company was increased from RM111,999,053 to RM112,098,179 by way of issuance of 206,133 units new ordinary shares pursuant to the conversion of ICULS at the nominal value of RM0.04 each at a conversion price of RM0.48 per ordinary share.
- On 4 September 2026, the issued and paid-up ordinary share capital of the Company was increased from RM112,098,179 to RM112,102,103 by way of issuance of 8,333 units new ordinary shares pursuant to the conversion of ICULS at the nominal value of RM0.04 each at a conversion price of RM0.48 per ordinary share.
- On 7 September 2026, the issued and paid-up ordinary share capital of the Company was increased from RM112,102,103 to RM158,896,403 by way of issuance of 97,805,101 units new ordinary shares pursuant to the mandatory conversion of ICULS at the nominal value of RM0.04 each at a conversion price of RM0.48 per ordinary share.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

- (g) On 14 October 2026, the Group, through its subsidiary, entered into a Sale and Purchase Agreement for the disposal of two freehold land and buildings for a total consideration of RM2,100,000. The properties had been reclassified from property, plant and equipment to assets held for sale following the Board of Directors' approval on 4 May 2026. The disposal had not been completed as at the date of this report.

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 (Suit No.: JA-22NCC-48-07/2024 ("Suit 48")). The Company was named as the fifth (5th) Defendant, Yi-Lai Marketing Sdn Bhd was named as the sixth (6th) Defendant, Yi-Lai Industry Berhad was named as the seventh (7th) Defendant, YB Technologies Sdn Bhd was named as the tenth (10th) Defendant and Techbase System Sdn Bhd was named as the ninth (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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

- (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").

On 6 September 2024, the Plaintiff appealed against the Decision on 5 September 2024 to the Court of Appeal ("Appeal") and the Appeal is registered as Civil Appeal No. J-02(IM)(NCC)-1593-09/2024. The Appeal was fixed for hearing on 8 May 2026.

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 Suit 48 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 was fixed for hearing on 10 November 2024 while the Transfer Application was 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 8 May 2025 for parties to update the Court on the status of the case.

On 10 November 2024, the Court rescheduled the hearing of the Intervention Application to 11 December 2024 as the 26th and 27th Defendants have not entered appearance. On 11 December 2024, all parties except for the 26th Defendant entered into a consent order in respect of the Intervention Application. Consequently, SC was made a party to the Suit 48.

On 29 April 2025, the Court vacated the hearing of the Transfer Application.

On 8 May 2025, the Court rescheduled the case management for Suit 48, Injunction Application and Application for Consequential Orders/Further Directions to 15 May 2025. On 15 May 2025, the Court fixed the Transfer Application for hearing on 20 November 2025 and Suit 48, Injunction Application and Application for Consequential Orders/Further Directions for case management on 25 November 2025.

On 20 November 2025, the Court vacated the hearing of the Transfer Application and rescheduled it to 13 January 2026. On 25 November 2025, the Court fixed Suit 48, Injunction Application and Application for Consequential Orders/Further Directions for case management on 26 January 2026.

The hearing of the Transfer Application on 13 January 2026 was vacated.

On 15 January 2026, SC filed an application pursuant to Order 14A and/or Order 33 of the Rules of Court 2012 for early disposal of the action ("O14A Application"). The O14A Application was fixed for case management on 26 January 2026.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

The case management on 26 January 2026 was rescheduled to 27 January 2026. On 27 January 2026, the Court fixed Transfer Application and the O14A Application for hearing and Suit 48, Injunction Application and Application for Consequential Orders/Further Directions for case management on 25 May 2026.

On 19 March 2026, the 1st Defendant filed a Notice of Application dated 19 March 2026 ("Application for Further Directions") seeking for the following Orders from the Court:

- (a) that a declaration that the 1st Defendant, whether by itself or its Board of Directors, is not required to proceed and/or take any further steps as set out in the Notice of Unconditional Mandatory Take-Over Offer dated 20 August 2024, amongst others, to furnish the relevant Record of Depositors to the Offerors, amongst others, 1st Defendant, 2nd Defendant, 29th Defendant and/or 30th Defendant, pending the full and final disposal of Suit 48 or the following applications:
 - (i) the Plaintiff's Notice of Application dated 26 August 2024 (Enclosure 12);
 - (ii) the Plaintiff's appeal before the Court of Appeal vide Civil Appeal No. J-02(IM)(NCC)-1593-09/2024;
 - (iii) the 1st Defendant's Notice of Application dated 8 September 2024 (Enclosure 28); and
 - (iv) the 31st Defendant's Notice of Application dated 15 January 2026 pursuant to Order 14A and/or Order 33 of Rules of Court, 2012 (Enclosure 117);
- (b) that the costs of and incidental to this application be costs in the cause; and
- (c) such further and/or other relief as the Court deems fit and just.

On 27 March 2026, the Plaintiff filed a Notice of Application dated 27 March 2026 ("Application for Erinford Injunction") seeking for the following Orders from the Court:

- (a) an Order that the 2nd Defendant, 3rd Defendant, 16th Defendant, 28th Defendant, 29th Defendant and/or the 30th Defendant whether by themselves, their directors, their officers, their servants and/or their 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 ("the Notice of Offer") to acquire shares in the 1st Defendant pending the full and final disposal of the Plaintiff's appeal before the Court of Appeal vide Civil Appeal No. J-02(IM)(NCC)-1593-09/2024 ("the Appeal");
- (b) an Order that the 1st Defendant, whether by themselves, their directors, their officers, their servants and/or their agents, be restrained and an injunction be granted to restrain them from taking any further step under the Notice of Offer pending the full and final disposal of the Appeal;
- (c) costs; and
- (d) further reliefs and/or other reliefs as the Court deems fit and just.

On 16 April 2026, the Court vacated the hearing of the Appeal and rescheduled it to 3 November 2026.

The Application for Further Directions was fixed for case management on 21 April 2026. On 21 April 2026, the Court fixed the Application for Further Directions for case management on 15 May 2026 for Court to fix hearing date.

The Application for Erinford Injunction was fixed for case management on 27 April 2026. On 27 April 2026, the Court fixed the Application for Erinford Injunction for case management on 15 May 2026 for further directions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

On 15 May 2026, the Court has fixed the Application for Further Directions and the Application for Erinford Injunction for case management on 25 May 2026.

On 25 May 2026, the Court vacated the hearing of the Transfer Application and O14A Application as well as the case management of Suit 48, Injunction Application, Application for Consequential Orders/Further Directions, Application for Further Directions and the Application for Erinford Injunction and rescheduled them to 11 June 2026.

On 11 June 2026, all parties except for the 26th Defendant entered into a consent order in respect of the Transfer Application. Pursuant to the consent order recorded, Suit 48 was transferred from Johor Bahru High Court to Kuala Lumpur High Court. Consequently, the hearing of O14A Application as well as the case management of Suit 48, Injunction Application, Application for Consequential Orders/Further Directions, Application for Further Directions and the Application for Erinford Injunction have been vacated and will be heard before the Kuala Lumpur High Court.

Suit 48 was transferred to Kuala Lumpur High Court and registered under Kuala Lumpur High Court Suit No. WA-22NCC-614-07/2026 (Suit 614). Suit 614 was fixed for case management on 28 July 2026. On 28 July 2026, SC informed the Court that all parties except for the 26th Defendant agreed for the O14A Application to be heard and disposed of first. As parties do not have any common available dates, the Court has fixed a further case management on 31 July 2026.

On 31 July 2026, the Court fixed a further case management on 6 August 2026 for parties to revert on the common dates for the hearing of the O14A Application.

On 6 August 2026, the Court fixed the hearing for the O14A Application on 11 September 2026, the case management for Suit 614 on 12 August 2026 before the learned Judge, Tuan Leong Wai Hong ("Judge") and case management for Injunction Application, Application for Consequential Orders/Further Directions, Application for Further Directions and the Application for Erinford Injunction on 30 September 2026.

On 12 August 2026, the Judge rescheduled the hearing of the O14A Application to 17 September 2026.

On 17 September 2026, the Judge heard the O14A Application and adjourned the hearing to 20 November 2026. The Judge further directed as follows:

- (a) Plaintiff to file amended statement of claim (if any) on or before 17 October 2026;
- (b) Defendants to file defence on or before 31 October 2026;
- (c) Plaintiff to file reply to defence on or before 13 November 2026; and
- (d) The pre-trial case management is fixed on 1 December 2026.

On 30 September 2026, the Court fixed a further case management for Injunction Application, Application for Consequential Orders/Further Directions, Application for Further Directions and the Application for Erinford Injunction on 23 November 2026 pending the status of the O14A Application.

The Group does not expect any financial and operational impact arising from the claim pending the final decision from the Court, save for the legal fees, disbursements and any other incidental costs.

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 28 October 2026.

LIST OF PROPERTIES

Location	Description/ Existing Use	Approximate age of building (years)	Approximate land/built-up area	Tenure	Date of Revaluation	Net Book Value at 30 June 2026 RM'000
Lot 7022, GRN 225815, Mukim of Kulai, District of Kulai, State of Johor.	Factory building and warehouse	27 years	4.04686 hectares	Freehold	30.6.2024	44,595
Lot 7020, HSD37506 Mukim of Kulai, District of Kulai, State of Johor.	Factory building	36 years	4.0519 hectares	Freehold	30.6.2024	43,745
PTD 95217 HSD 27695 & PTD 95218 HSD 27705 Mukim of Kulai, District of Kulai, State of Johor.	Warehouse	20 years	19,461.3 square meter	Freehold	30.6.2024	37,151
Lot 7019, Geran 225856 Mukim of Kulai, District of Kulai, State of Johor.	Storage	N/A	4.0468 hectares	Freehold	30.6.2024	15,316
PN 74248 Lot 53725, Pekan Baru Sungai Buloh, District of Petaling, State of Selangor.	Bungalow	17 years	1,395 square meter	Leasehold 99 years expiring on 11 Nov 2101	30.6.2024	9,536
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	11 years	1,451 square meter	Leasehold 99 years expiring on 13 May 2108	30.6.2024	8,487
Lot 86264 GRN 435827 & Lot 86265 GRN 435828 Mukim of Kulai, District of Kulai, State of Johor.	Marketing office cum showroom	16 years	328 square meter	Freehold	30.6.2024	1,570
Lot 9432 PM 4309, Mukim of Bachang, District of Melaka Tengah, State of Melaka.	Marketing office	20 years	146 square meter	Leasehold 99 years expiring on 5 Nov 2105	30.6.2024	656

ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2026

Total Number of Issued Share	:	391,921,579 (including 808,166 treasury shares)
Types of Shares	:	Ordinary Share
Voting Right	:	One (1) vote per ordinary share
Number of Shareholders	:	3,560

DISTRIBUTION OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2026

(as shown in the Record of Depositors)

Size of Shareholdings	No. of Shareholders	No. of Shares	Percentage of Shareholdings %
1 to 99	615	26,653	0.01
100 to 1,000	302	88,782	0.02
1,001 to 10,000	1,263	5,891,207	1.51
10,001 to 100,000	1,063	36,675,803	9.38
100,001 to less than 5% of issued shares	316	321,668,468	82.24
5% and above of issued shares	1	26,762,500	6.84
Total	3,560	391,113,413	100.00

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 30 SEPTEMBER 2026

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	20,473,590	5.23	38,438,901 ^(a)	9.83
3. Kok Soke Kuen	-	-	-	-
4. Dato' Sri Dr. Gan Chow Tee	-	-	-	-
5. Koh Beng San	-	-	-	-

SUBSTANTIAL SHAREHOLDER AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2026

Names	Direct Interest		Indirect Interest	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1. Datin Lim Lee Wheng	11,676,401	2.99	20,473,590 ^(b)	5.23
2. Datuk Au Yee Boon	20,473,590	5.23	38,438,901 ^(a)	9.83
3. Techbase Solution Sdn. Bhd.	26,762,500	6.84	-	-

Note:

Based on the Company's issued share capital of 391,113,413 ordinary shares (excluding 808,166 ordinary shares which are held by the Company as treasury shares) as at 30 September 2026.

^(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 AS AT 30 SEPTEMBER 2026 (CONT'D)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 SEPTEMBER 2026

	Names	No. of Shares	Percentage of Shareholdings (%)
1.	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TECHBASE SOLUTION SDN BHD</i>	26,762,500	6.84
2.	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR GUNUNG RESOURCES SDN BHD</i>	17,384,825	4.44
3.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR CHENG CHIN KEONG</i>	14,000,000	3.58
4.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR LIM LEE WHENG (MY3324)</i>	11,676,401	2.99
5.	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR AU YEE BOON</i>	11,423,091	2.92
6.	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>RAKUTEN TRADE SDN BHD FOR KHOR CHONG YAK</i>	11,358,358	2.90
7.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)</i>	11,200,553	2.86
8.	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR LIM BOON HUA (SMART)</i>	9,091,000	2.32
9.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR LOON CHIN SENG (MY4493)</i>	8,928,900	2.28
10.	MBSB INVESTMENT NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHIAU HAW CHOON (MGN-CHC0007M)</i>	8,700,000	2.22
11.	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN CHEE SING (021)</i>	7,500,000	1.92
12.	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>RAKUTEN TRADE SDN BHD FOR CHAI CHOI HONG</i>	6,771,766	1.73
13.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR LIM WAI YEE</i>	6,050,000	1.55
14.	HIQ MEDIA (MALAYSIA) SDN. BHD.	5,401,100	1.38
15.	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR JASON FONG JIAN SHENG</i>	4,848,300	1.24
16.	LOOI TEIK HIN	4,800,000	1.23
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR RESERVOIR LINK HOLDINGS SDN BHD</i>	4,432,230	1.13
18.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN (MY4470)</i>	4,400,000	1.12

ANALYSIS OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2026 (CONT'D)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 SEPTEMBER 2026

	Names	No. of Shares	Percentage of Shareholdings (%)
19.	RHB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR AU YEE BOON</i>	4,250,000	1.09
20.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR LEE KOOI LAN (MF00386)</i>	4,220,000	1.08
21.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR SHELLY CHIAU YEE WERN (MY4157)</i>	4,000,000	1.02
22.	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR AU YEE BOON (SMART)</i>	3,966,666	1.01
23.	PERCETAKAN SANWA INDUSTRIES SDN.BHD.	3,725,000	0.95
24.	HLB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHIAU HAW CHOON</i>	3,600,000	0.92
25.	TAN SI KIM	3,475,000	0.89
26.	KONG LEK CHAI @ KONG AH LIM	3,400,000	0.87
27.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR TAN YIN PING</i>	3,390,000	0.87
28.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR HONSIN APPAREL SDN BHD (M04)</i>	3,259,766	0.83
29.	RHB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LIM BOON HUA</i>	3,000,000	0.77
30.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (DATO')</i>	2,950,000	0.75
	TOTAL	217,965,456	55.73

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 25th Annual General Meeting of YB Ventures Berhad ("**YBVB**" or the "**Company**") held on 26 December 2025, 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-Sixth Annual General Meeting ("**26th AGM**"), unless such authority is renewed at the forthcoming 26th AGM.

On 28 October 2026, 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 26th 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 30 September 2026, 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 is 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.

4. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

As at the LPD, the Company's issued share capital is RM159,047,100.32 comprising 391,921,579 ordinary shares of the Company (including 808,166 treasury 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⁾	391,921,579	391,921,579
Less: Treasury shares	(808,166)	⁽²⁾
Total number of issued Shares	391,113,413	391,921,579
Maximum number of Shares that may be purchased	39,111,341	39,192,157

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") (CONT'D)

4. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY cont'd

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.

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.

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.

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") (CONT'D)

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 accumulated loss of the Company as at 30 June 2026 is RM14.9 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.

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 2025 to September 2026 are as follows: -

Month	Share price	
	High (RM)	Low (RM)
<u>2025</u>		
October	0.110	0.090
November	0.095	0.080
December	0.110	0.080
<u>2026</u>		
January	0.100	0.070
February	0.090	0.065
March	0.080	0.065
April	0.065	0.050
May	0.065	0.050
June	0.120	0.060
July	0.160	0.080
August	0.080	0.060
September	0.065	0.055

The last transacted price of the shares as at the LPD prior to the printing of this Statement is RM0.055.

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") (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 6 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 391,921,579 Shares in issue (including 808,166 treasury shares).

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

- Minimum Scenario : Assuming 808,166 treasury shares are retained 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 before the implementation of the Proposed Renewal of Share Buy-Back Authority

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⁾	391,921,579	391,921,579
Less: Treasury shares	(808,166)	_(2)
	391,113,413	391,921,579
Upon completion of the Proposed Share Buy-Back (assuming all treasury shares are cancelled)	(39,111,341)	(39,192,157)
Enlarged issued share capital	352,002,072	352,729,422

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.

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.

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") (CONT'D)

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

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.

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

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") (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	Indirect		Direct	Indirect	
	No. of shares	(3)%	No. of Shares	No. of shares	(4)%	No. of Shares
					(4)%	(4)%
Substantial shareholder						
Techbase Solution Sdn Bhd	26,762,500	6.84	—	26,762,500	7.60	—
Datin Lim Lee Wheng	11,676,401	2.99	20,473,590 ⁽¹⁾	11,676,401	3.32	20,473,590 ⁽¹⁾
						5.82
Substantial shareholder and/or Director						
Dato' Sri Tajudin Bin Md Isa	—	—	—	—	—	—
Datuk Au Yee Boon	20,473,590	5.23	38,438,901 ⁽²⁾	20,473,590	5.82	38,438,901 ⁽²⁾
Kok Soke Kuen	—	—	—	—	—	—
Dato' Sri Dr. Gan Chow Tee	—	—	—	—	—	—
Koh Beng San	—	—	—	—	—	—

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”) (CONT'D)

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

9.6 Directors' and Substantial Shareholders' Shareholdings cont'd

The effect of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the Directors and the substantial shareholders of YBBV 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: cont'd

Maximum Scenario cont'd

[illegible]

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") (CONT'D)

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

9.6 Directors' and Substantial Shareholders' Shareholdings cont'd

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: cont'd

Maximum Scenario cont'd

Notes :

- (1) Deemed interest by virtue of the interest of her spouse, Datuk Au Yee Boon pursuant to Section 8 of the Act.
- (2) 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 Act.
- (3) Based on our Company's issued share capital of 391,113,413 Shares (excluding 808,166 Shares which are held by the Company as treasury shares) as at the LPD.
- (4) Based on our Company's enlarged issued share capital of 352,002,072 Shares under the Minimum Scenario.
- (5) Based on our Company's enlarged issued share capital of 391,921,579 Shares assuming 808,166 treasury shares were resold on the open market.
- (6) Based on our Company's enlarged issued share capital of 352,729,422 Shares under the Maximum Scenario.

10. PUBLIC SHAREHOLDING SPREAD

As at the LPD, the public shareholding spread of the Company is approximately 84.64%.

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 82.94%.

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 ("SC") 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.

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.

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") (CONT'D)

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 26th 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 26th AGM:

- i. the Constitution of the Company; and
- ii. the audited financial statements of the Company for the financial year ended 30 June 2025 and 2026 respectively.

This Share Buy-Back Statement is dated 30 October 2026.

NOTICE OF TWENTY-SIXTH (26TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Sixth (26th) Annual General Meeting (“AGM”) of YB Ventures Berhad (“Company”) will be held at SVOFO @ Hall Sky Garden, Block A, Level 2, A-2-10, Sunway Nexis, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor on Wednesday, 30 December 2026 at 10.00 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 2026 together with the Reports of the Directors and Auditors thereon. *Please refer to the Explanatory Notes*
2. To re-elect the following Directors who retire in accordance with Clause 103 of the Constitution of the Company and being eligible, have offered themselves for re-election:-
 - a) Datuk Au Yee Boon *Ordinary Resolution 1*
 - b) Ms. Kok Soke Kuen *Ordinary Resolution 2*
3. To re-elect Mr. Koh Beng San who retires in accordance with Clause 110 of the Constitution of the Company and being eligible, has offered himself for re-election. *Ordinary Resolution 3*
4. To approve the payment of Directors’ fees and other benefits payable totaling RM300,000 for the period from 26th AGM until the conclusion of next AGM of the Company. *Ordinary Resolution 4*
5. To re-appoint Morison LC PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *Ordinary Resolution 5*

Special Business

To consider and, if thought fit, to pass with or without modifications the following resolution: -

6. **Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016** *Ordinary Resolution 6*

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.

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.”

NOTICE OF TWENTY-SIXTH (26TH) ANNUAL GENERAL MEETING (CONT'D)

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 7*

"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 2026 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 2026

NOTICE OF TWENTY-SIXTH (26TH) ANNUAL GENERAL MEETING (CONT'D)

Notes: -

1. A member of the Company entitled to participate, attend, speak and vote at the meeting is entitled to appoint not more than two (2) proxies to participate, attend, 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.
2. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
3. 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/she specifies the proportions of his/her holdings to be represented by each proxy.
4. 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 officer or attorney duly authorised.
5. 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, Wilayah Persekutuan or via electronic means to admin@aldpro.com.my not less than forty-eight (48) hours before the time appointed for the holding of the meeting or any adjournment thereof.
6. Only members registered in the Record of Depositors as at 17 December 2026 shall be eligible to participate, attend, speak and vote at the meeting or appoint a proxy to participate, attend, 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 2026

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 3: Re-election of Directors who retire pursuant to Clause 103 and 110 of the Company's Constitution

The following Directors who are standing for re-election as Directors of the Company pursuant to relevant clauses of the Company's Constitution at the forthcoming 26th 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) Datuk Au Yee Boon – Clause 103
- b) Ms. Kok Soke Kuen - Clause 103
- c) Mr. Koh Beng San - 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-SIXTH (26TH) ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes to Special Business:

Ordinary Resolution 6: 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 6 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 25th AGM on 26 December 2025 ("**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 6, 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. This mandate is intended to provide the Company with flexibility and expediency in undertaking fundraising activities, including but not limited to the placement of shares, funding of investment project(s), meeting working capital requirements, repayment of bank borrowings, and/or pursuing strategic merger and acquisition opportunities involving equity or part-equity consideration, as the Directors consider to be in the best interest of the Company. It will also enable the Company to meet its immediate funding needs without relying solely on conventional debt financing, thereby avoiding additional finance costs and eliminating the delays and costs associated with convening a general meeting to obtain shareholders' approval.

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."

NOTICE OF TWENTY-SIXTH (26TH) ANNUAL GENERAL MEETING (CONT'D)

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 6, 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.

Ordinary Resolution 7: Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 7, 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 2026 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 26th 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 26th AGM of the Company.

YB VENTURES BERHAD

[Registration No. 200001013437 (516043-K)]

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:		

*or failing *him/her, the Chairman of the Meeting, as *my/our proxy to vote for *me/us on *my/our behalf at the Twenty-Sixth (26th) Annual General Meeting ("AGM") of the Company which to be held at SVOFO @ Hall Sky Garden, Block A, Level 2, A-2-10, Sunway Nexis, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor on Wednesday, 30 December 2026 at 10.00 a.m. or at any adjournment thereof, in the manners as indicated below:

NO.	RESOLUTIONS	FOR	AGAINST
1.	To re-elect Datuk Au Yee Boon who retires pursuant to Clause 103 of the Company's Constitution.		
2.	To re-elect Ms. Kok Soke Kuen who retires pursuant to Clause 103 of the Company's Constitution.		
3.	To re-elect Mr. Koh Beng San who retires pursuant to Clause 110 of the Company's Constitution.		
4.	To approve the payment of Directors' fees and other benefits payable totaling RM300,000 for the period from 26 th AGM until the next AGM of the Company.		
5.	To re-appoint Morison LC PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
6.	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.		
7.	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.

(*Delete as appropriate)

Dated this _____ day of _____, 2026

Signature/Common Seal of Shareholder

Notes:-

- A member of the Company entitled to participate, attend, speak and vote at the meeting is entitled to appoint not more than two (2) proxies to participate, attend, 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.
- 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.
- 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/she specifies the proportions of his/her holdings to be represented by each proxy.
- 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 officer or attorney duly authorised.
- 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, Wilayah Persekutuan or via electronic means to admin@aldpro.com.my not less than forty-eight (48) hours before the time appointed for the holding of the meeting or any adjournment thereof.
- Only members registered in the Record of Depositors as at 17 December 2026 shall be eligible to participate, attend, speak and vote at the meeting or appoint a proxy to participate, attend, speak and/or vote on his/her behalf.

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**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, Wilayah Persekutuan, Malaysia

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