ANNUAL REPORT

2020

YB VENTURES BERHAD

ALPHA TILES
STYLISH LIVING

TALOS
Living Tiles

OUR CORE VALUES

1. Quality
2. Customer centered
3. Integrity
4. Passionate
5. Empowerment
6. Collaboration
7. Innovation

OUR VISION

To be a globally trusted brand for tile products and services, enhancing the quality of life of people who use our products.

OUR MISSION

We deliver quality tiles that exceed the expectations of our customers. We operate fairly and ethically with our customers and suppliers alike, we are untiring in our pursuit of excellence, and we drive innovation through teamwork.

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATO' SRI DR. ALI BIN HAMSA
Independent Non-Executive Chairman

MR LEE BOON SIONG
Executive Director

MR AU YEE BOON
Executive Director

MR TAN EIK HUANG
Independent Non-Executive Director

DATO' SRI GAN CHOW TEE
Independent Non-Executive Director

AUDIT COMMITTEE

Mr Tan Eik Huang *(Chairman)*
Tan Sri Dato' Sri Dr. Ali Bin Hamsa
Dato' Sri Gan Chow Tee

RISK MANAGEMENT COMMITTEE

Mr Tan Eik Huang *(Chairman)*
Tan Sri Dato' Sri Dr. Ali Bin Hamsa
Dato' Sri Gan Chow Tee

NOMINATION COMMITTEE

Dato' Sri Gan Chow Tee *(Chairman)*
Tan Sri Dato' Sri Dr. Ali Bin Hamsa
Mr Tan Eik Huang

REMUNERATION COMMITTEE

Mr Tan Eik Huang *(Chairman)*
Tan Sri Dato' Sri Dr. Ali Bin Hamsa
Dato' Sri Gan Chow Tee

COMPANY SECRETARIES

Mr Tan Tong Lang
(MAICSA 7045482 / SSM PC No.: 201908002253)

Ms Thien Lee Mee
(LS 0009760/SSM PC No.: 201908002254)

REGISTERED OFFICE

Level 5, Block B, Dataran PHB
Saujana Resort, Section U2
40150 Shah Alam, Selangor
Tel : 603-7890 0638
Fax : 603-7890 1032

REGISTRAR

Boardroom.com Sdn Bhd
Level 5, Block B, Dataran PHB
Saujana Resort, Section U2
40150 Shah Alam, Selangor
Tel : 603-7890 0638
Fax : 603-7890 1032

PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Bhd
OCBC Bank (Malaysia) Berhad
Malayan Banking Berhad
CIMB Bank Berhad

AUDITORS

Grant Thornton Malaysia PLT
(Member firm of Grant Thornton International Ltd)
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

WEBSITE ADDRESS

www.ybventuresberhad.com

CORPORATE EMAIL

info@ybventuresberhad.com

DATE AND PLACE OF INCORPORATION

Incorporated in Malaysia on
6 June 2000

DATE OF LISTING

3 May 2002

STOCK EXCHANGE LISTING

Main Market of the
Bursa Malaysia Securities Berhad
("Bursa Securities")
Sector : Industrial Products Stock
Short Name : YB
Stock Code: 5048

PROFILE OF DIRECTORS

TAN SRI DATO' SRI DR. ALI BIN HAMSA
Independent Non-Executive Chairman
Male, Malaysian, aged 66

Tan Sri was appointed as the Independent Non-Executive Director on 16 November 2020 and was redesignated as the Independent Non- Executive Chairman on 2 December 2020. Tan Sri is also a member of the Remuneration Committee, Nomination Committee and Audit Committee.

Tan Sri graduated with Diploma in Public Management from National Institute of Public Administration, Malaysia. He obtained a Bachelor of Arts (Honours) from University of Malaya before furthering his studies at Oklahoma State University, the United States of America where he obtained master's degree in Economics followed by PH.D in Environmental Sciences and Economics.

Tan Sri was a tutor in University of Malaya prior to starting his career in the Administrative and Diplomatic Service (PTD) as an Assistant Director at the Ministry of Trade and Industry on 5 January 1981. In 1986, he was appointed as the Senior Project Manager, Economy and Public Policy Management Centre (PUTERA) at the National Institute of Public Administration (INTAN), where he co-authored two books, namely Dasar-Dasar Utama Kerajaan (1988) and Malaysia Kita (1990). He had a short stint at the Ministry of Transport in 1992.

Upon obtaining his Ph.D in 1997, he began serving at the Economic Planning Unit (EPU), Prime Ministers Department. He held the position of Director of Department. He held the positions of Director of Distribution and Deputy Director-General of the National Transformation and Advancement Programme.

On 22 April 2009, Tan Sri was appointed as the first Director-General of the Public Private Partnership Unit (UKAS), Prime Ministers Department. He served as the 13th Chief Secretary to the Government of Malaysia from 24 June 2012 until 28 August 2018. Tan Sri is currently an Executive Director of G Capital Berhad.

Tan Sri does not have any family relationship with any Director or substantial shareholder of the Company, nor does he have any conflict of interest with the Group. Tan Sri has not been convicted of any offences within the past five (5) years other than traffic offences, if any.

MR LEE BOON SIONG
Executive Director
Male, Malaysian, aged 41

Mr Lee Boon Siong was appointed as the Independent Non-Executive Director on 2 June 2020 and was redesignated as the Executive Director on 16 October 2020.

Mr Lee holds a Bachelor's Degree in Computer Science/Informative Technology from Campbell University.

Prior to joining the Company, he was director of Zippy Bags, Inc. listed on OTC market. He has over 17 years of experience in sales and marketing, business development and IT consultant for clients from various industries including healthcare, manufacturing, retail, financial and F&B.

Mr Lee does not have any family relationship with any Director or substantial shareholder of the Company, nor does he have any conflict of interest with the Group. He has no directorship in other public companies and has not been convicted of any offences within the past five (5) years other than traffic offences, if any.

PROFILE OF DIRECTORS
CONT'D

MR AU YEE BOON
Executive Director
Male, Malaysian, aged 40

Mr Au Yee Boon was appointed as the Executive Director on 27 August 2020.

Mr Au holds a Degree in Computer Science from University of Malaya.

Mr Au is the founder and Chief Executive Officer of Techbase Solution Sdn Bhd since 2009. He started his own retail business right after he graduate from University of Malaya in 2004. After 5 years of his retail business, he has established Techbase Solution Sdn Bhd, a company specialize in providing Information Technology (IT) Solution. He was key personnel for the company who responsible for marketing, business development and IT consult.

Mr Au does not have any family relationship with any Director of the Company, nor does he have any conflict of interest with the Group. He has no directorship in other public companies and has not been convicted of any offences within the past five (5) years other than traffic offences, if any.

Mr Au is a major shareholder of the YB Ventures Berhad (Formerly Known As Yi-Lai Berhad).

MR TAN EIK HUANG
Independent Non-Executive Director
Male, Malaysian, aged 36

Mr Tan was appointed as the Independent Non-Executive Director on 16 October 2020. Mr Tan is also the Chairman of the Remuneration Committee and Audit Committee and a member of Nomination Committee.

He graduated with Degree in Accounting from University Utara Malaysia. Mr Tan is a member of the Malaysia Institute of Accountant. He has over 5 years of experience in accounts and audits services. After 5 years of service in accounting and audit, he joined as Finance Manager in Enterprise Resources Planning (ERP) system industry who leads the company's finance and consultant department for 3 years.

Mr Tan does not have any family relationship with any Director or substantial shareholder of the Company, nor does he have any conflict of interest with the Group. He has no directorship in other public companies and has not been convicted of any offences within the past five (5) years other than traffic offences, if any.

DATO' SRI GAN CHOW TEE
Independent Non-Executive Director
Male, Malaysian, aged 56

Dato' Sri Gan was appointed as the Independent Non-Executive Director on 2 March 2021. He is the Chairman of the Nomination Committee and also a member of the Remuneration Committee and Audit Committee.

Dato' Sri Gan holds a Diploma in Accounting from Tunku Abdul Rahman University College.

Dato' Sri Gan is an outstanding entrepreneur with over 15 years of experience in property development & multi-businesses investments. To-date, he had completed property development, inclusive of residential, industrial and commercial worth over RM300 million in GDV.

Presently, he also invested in food and beverage industry especially Chinese Fine Dining & Banquet event. Dato' Sri Gan's perseverance and hard work had won him ASEAN Business Outstanding Award in 2016.

He has a contagious enthusiasm and passionate belief in people that inspires them to become prouder, stronger, and more valuable contributors to their organizations. He strongly believed that team work, enthusiasm for creating values and constantly ensuring business model remain prudent are the way forward to create a better future environment.

Dato' Sri Gan does not have any family relationship with any Director or substantial shareholder of the Company, nor does he have any conflict of interest with the Group. He has no directorship in other public companies and has not been convicted of any offences within the past five (5) years other than traffic offences, if any.

FIVE-YEAR FINANCIAL HIGHLIGHTS

	2016	2017#	2018	2019	2020
OPERATING RESULTS (RM'000)					
Revenue	129,919	111,698	118,532	118,134	91,384
Net interest income	769	677	633	862	440
Taxation	(1,174)	1,489	1,220	495	1,147
Depreciation	(6,811)	(5,921)	(5,697)	(5,751)	(5,109)
EBITDA *	12,158	835	689	(1,409)	13,668
(Loss)/Profit before tax	6,116	(4,409)	(4,375)	(6,298)	8,999
(Loss)/Profit after tax	4,942	(2,920)	(3,155)	(5,803)	10,146
Net (loss)/profit attributable to equity holders	4,942	(2,920)	(3,155)	(5,803)	10,146

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

KEY BALANCE SHEET HIGHLIGHTS (RM'000)					
Total Assets	232,739	228,361	221,971	217,508	322,846
Total Borrowings	-	-	-	-	-
Shareholders' Equity	212,554	210,159	202,071	196,207	282,988

KEY FINANCIAL INDICATORS					
Return on Equity	2.3%	-1.4%	-1.6%	-3.0%	3.6%
Return on Total Assets	2.1%	-1.3%	-1.4%	-2.7%	3.1%
Gearing Ratio	-	-	-	-	-
Net Asset per Share (RM)	1.40	1.38	1.39	1.35	1.94
Earnings per Share (sen)	3.15	(1.92)	(2.14)	(3.99)	6.99
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 Earning (PE) Ratio	25.70	(40.41)	(26.23)	(13.30)	15.04
Share Price as at the Financial Year End (RM)	0.810	0.775	0.560	0.530	1.05

 # restated for effect of MFRS 15, Revenue from Contracts with Customers

MANAGEMENT DISCUSSION AND ANALYSIS

DEAR VALUED SHAREHOLDERS,

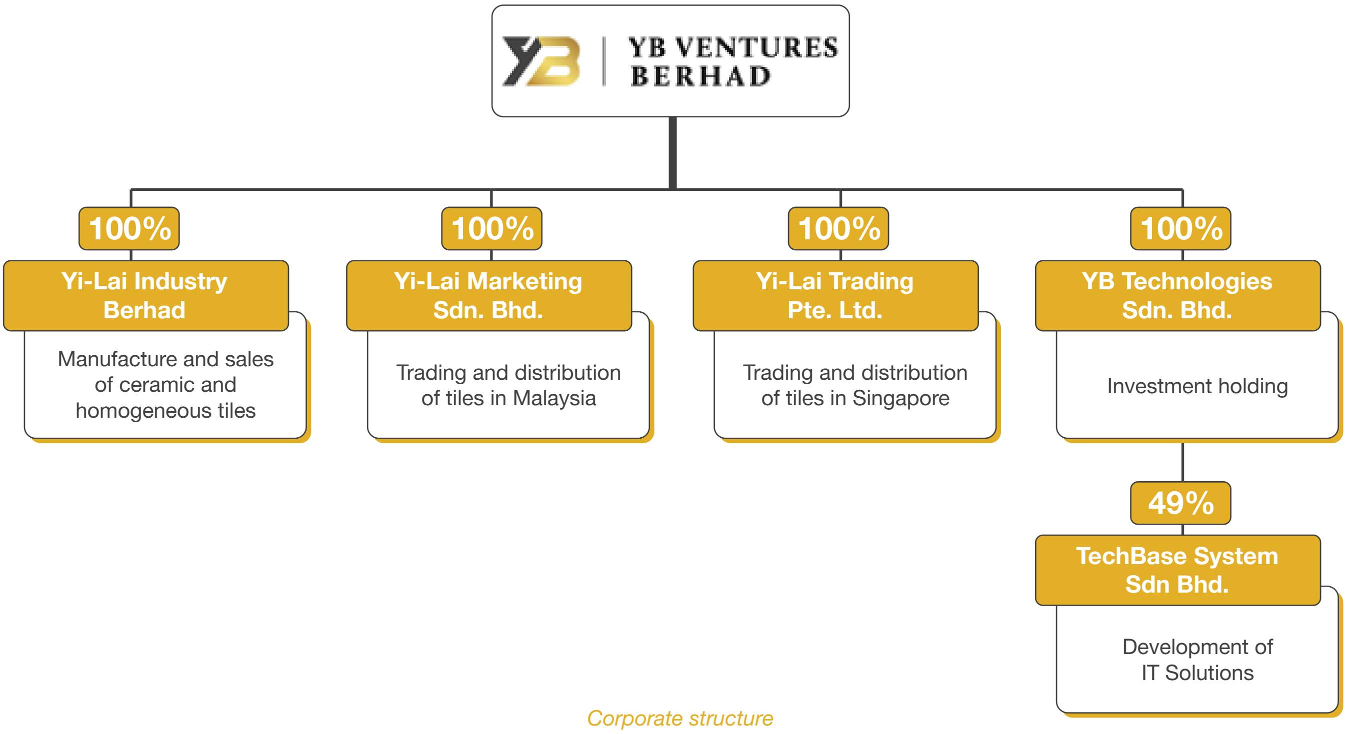
On behalf of the Board of Directors ("Board") of YB Ventures Berhad (formerly known as Yi-Lai Berhad) ("YB Ventures" or the "Group"), it is my pleasure to present to you the Management Discussion and Analysis ("MD&A") for the financial year ended 31 December 2020 ("FY2020").

This MD&A is intended to provide our shareholders with a comprehensive overview of the financial and operational performance of the Group in FY2020 through the lens of the management. Also included in the MD&A is relevant non-financial information aimed at facilitating our shareholders to better understand the overall performance, risks exposure and prospects of the Group.

GROUP OVERVIEW

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

YB Ventures is an investment holding company. Through the subsidiaries, we are principally involved in the manufacture, sales, trading, and distribution of tiles. In 2020, the Group diversified its business to include the provision of Information Technology ("IT") Solutions, which specializes in blockchain technology solutions and system integration services. The current corporate structure of the Group is as follows:-



Corporate structure

Tiles

The Group mainly produces tiles under its proprietary brand, ALPHA TILES®, which is a household name in construction as well as renovation & interior fit-out industries. In addition, YB Ventures also produces Original Equipment Manufacturer ("OEM") tiles for other brand names. The Group's catalogue includes three types of tiles, namely homogenous, porcelain and ceramic. These products can be used as either wall tiles or floor tiles in residential, commercial and industrials developments.

MANAGEMENT DISCUSSION AND ANALYSIS
CONT'D

GROUP OVERVIEW cont'd

Categories of tiles produced at YB Ventures

The manufacturing facilities, head office and warehouses are all located in Kulai, Johor, spanning approximately 35 acres of land in total. Equipped with seven (7) production lines, the Group currently has an annual capacity of over 7 million square metres ("sqm.") of tiles.

The products are mainly marketed and distributed across Malaysia and Singapore through dealers and distributors. The sales and marketing efforts are supported by two (2) showrooms and marketing centres located in Kulai (Johor) and Petaling Jaya (Selangor) as well as four (4) product centres in Ipoh (Perak), Taman Malim Jaya (Melaka), Simpang Ampat (Penang), and Geylang (Singapore). As at end-FY2020, YB Ventures has a total staff force of 616 employees.

BUSINESS & OPERATIONAL REVIEW

It was a strenuous year for us at YB Ventures as we navigated through the extremely demanding business environment in FY2020. The unprecedented Covid-19 pandemic put a further damper on the existing challenging operating landscape stemming from the ongoing global and local macroeconomic uncertainties. The pandemic also led to much-subdued consumer sentiments and increased the pressure on the property market.

As a result of the pandemic, authorities around the world, including Malaysia and Singapore, instituted movement restrictions in order to curb the spread of the virus. We adhered to the movement control order ("MCO 1.0") imposed by the Malaysian Government in March 2020 and temporarily halted our operations. While this was an important and necessary risk management measure, it inevitably affected our operations and financial performance.

We subsequently resumed our operations in May 2020 after receiving the necessary approvals from the Ministry of International Trade and Industry ("MITI"). Following this, our production had been gradually picking up pace and are running at full capacity since September 2020 to clear order backlogs and to meet pent-up demand, while complying with the stringent standard operating procedures ("SOPs") at all times.

The disruption to operations had inevitably affected the sales performance of the Group in FY2020. Moreover, the overall economic activities had remained subdued as well with property and construction sectors underperforming as consumers tighten their belts while Government redirected its focus and spending to fight the pandemic.

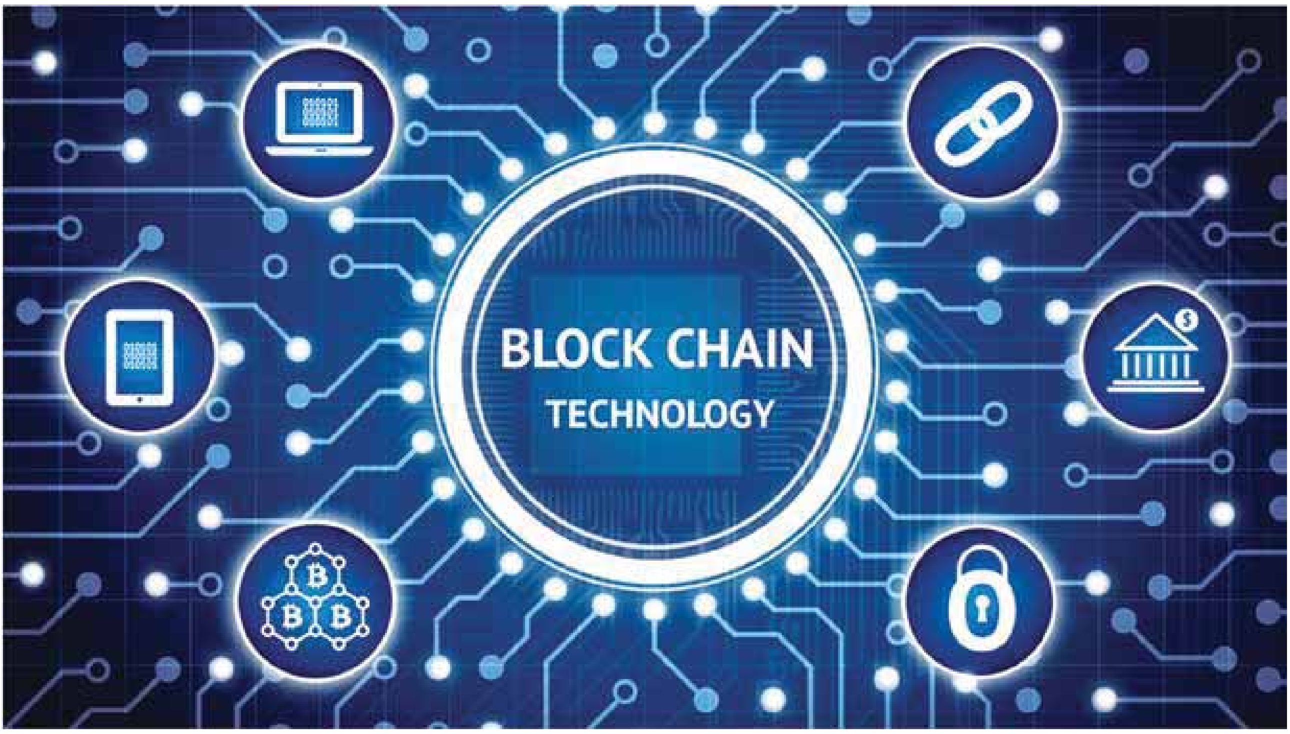
MANAGEMENT DISCUSSION AND ANALYSIS
CONT'D

BUSINESS & OPERATIONAL REVIEW cont'd

Operationally, the Group continued to face rising costs such as wages and utilities prices especially natural gas, which further intensified the competitive landscape. At YB Ventures, natural gas cost is one of the key expenses as we use it for thermal processes that include firing kiln, powering the horizontal dryer and the spray dryer.

As part of our strategic plan to counter the increasing costs, we had implemented lean management to optimise resources, improve efficiency, reduce cost and minimise waste. We had been working diligently towards lowering inventory with higher emphasis placed on just-in-time production to enhance efficiency and productivity.

Besides the aforementioned initiatives, the Board of Directors of YB Ventures had also voluntarily waived the directors' fee for six months from September 2020 to February 2021 to help cushion the impact of the Covid-19 pandemic and to show solidarity with those affected by it. On top of that, we did not make any redundancy among our workforce but instead opted to manoeuvre through the difficult period together as a team.



FY2020 marked a significant milestone in the Group's history as we diversified our business to include the provision of information technology ("IT") solutions in the field of blockchain technology solutions and system integration services. We decided to pursue this opportunity after careful deliberations as the Group anticipated the new venture to expand our earnings base and improve our bottom-line going forward.

YB Ventures had entered into a joint venture agreement ("JVA") with TechBase Solution Sdn. Bhd. ("TechBase Solution") to set up a separate joint venture corporation ("JVC"), called TechBase System Sdn. Bhd. ("TechBase System") to operate the new business. The Group shall hold a 49%-stake in TechBase System with the remainder held by TechBase Solution. YB Ventures will provide a commitment of up to RM9.5 million for this new venture, which the Group intends to fund via internally generated funds while TechBase Solution has committed up to RM9.9 million.

TechBase Solution has around 11 years of experience in providing IT solutions and offers products ranging from enterprise resource planning ("ERP") solutions, sales management systems, business productivity solutions and website design and development. Its target clientele ranges from small and medium enterprises to large corporations as well as organisations that need to upgrade or replace existing IT systems.

MANAGEMENT DISCUSSION AND ANALYSIS
CONT'D

CORPORATE DEVELOPMENTS

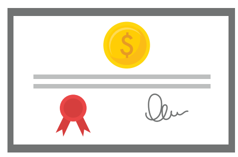
On the corporate front, notwithstanding the challenges brought upon by the Covid-19 pandemic, a new and exciting chapter had unveiled at YB Ventures. There were changes to the Board of Directors and management that saw the emergence of new leadership at the helm. We endeavoured the change to bring positive influences to the Group, with strategic transformation programmes now put in place to steer YB Ventures back to profitability. The new leadership was also instrumental in the diversification of the Group's business into IT solutions.

During the year under review, YB Ventures had disposed of a parcel of leasehold land in Petaling Jaya, Selangor measuring 5,772 sqm. for a total consideration of RM15.0 million to Glass & Plastic Packaging Sdn. Bhd. This enabled us to unlock the value of our asset and raised funds for capital expenditure and working capital needs. The Group had recognized a one-off gain of approximately RM10.0 million in FY2020.

The Group too had completed a bonus issue of up to 97,047,061 new ordinary shares in YB Ventures on the basis of two (2) bonus shares for every three (3) existing shares ("Bonus Issue"). The Bonus Issue served as a reward to our shareholders for their patience and support all this while. Furthermore, this improved the marketability and trading liquidity of our shares and encouraged greater participation by investors as well as broadening the shareholder base. The Bonus Issue was approved by the Shareholders on 16 March 2021 at the EGM and was completed in April 2021.

While we rewarded shareholders, we have not overlooked the importance of our employees. YB Ventures had in April 2021 implemented an employees' share option scheme ("ESOS") of up to 15% of the total number of issued shares of the Group (excluding treasury shares, if any) at any point in time over a 5-year period. The ESOS involves granting options to eligible Directors and employees of the Group who meet the criteria of eligibility to subscribe for YB Ventures shares. The primary objectives of the ESOS are to recognise and reward our employees' contributions and services to the Group as well as to retain and motivate our workforce to create sustainable growth and profitability. Furthermore, it aligns the interests of our employees and shareholders through the achievement of our strategic plans. Lastly, the ESOS also enhances the attractiveness of our compensation packages to attract talent, which is crucial for YB Ventures' growth.

After due consideration of the various funding options available to us, the Group had undertaken a proposed renounceable rights issue of up to RM48,523,530.60 nominal value of five (5)-year, 0.10%, irredeemable convertible unsecured loan stocks ("ICULS") at 100% of its nominal value of RM0.04 each on the basis of five (5) ICULS for every one (1) existing share ("Proposed Rights Issue"). This enables us to raise fund without incurring high interest costs as in the case of borrowings from financial institutions.



It also provides entitled shareholders with the opportunity to increase their equity participation in YB Ventures at a pre-determined conversion price during the tenure of the ICULS. The proceeds raised will primarily be utilised for our business expansion plans to increase our capacity and upgrade our existing production lines in order to enhance efficiency. Barring any unforeseen circumstances, the Proposed Rights Issue is expected to be completed by the second quarter of 2021.

MANAGEMENT DISCUSSION AND ANALYSIS
CONT'D

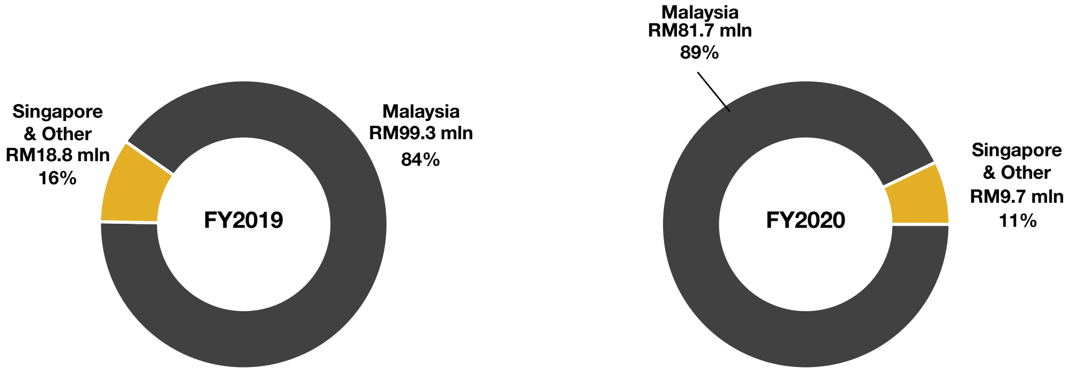
FINANCIAL PERFORMANCE REVIEW

Revenue

The Group recorded a revenue of RM91.4 million for the financial year under review, which was lower than the RM118.1 million achieved in FY2019. This was largely attributed to the Covid-19 pandemic, which resulted in softer sales and operational disruptions.

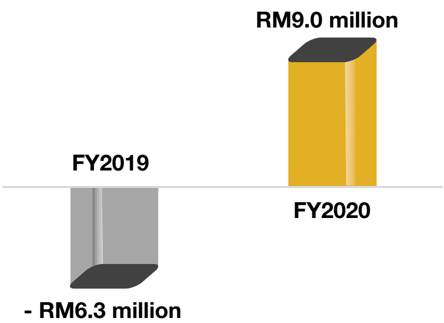
Local sales remained YB Ventures' primary revenue contributor, accounting for RM81.7 million to total turnover with the remainder from Singapore and other countries. As a result of the aforementioned factors, domestic revenue slipped RM17.6 million or 17.7% year-on-year ("YoY") as compared to RM99.3 million posted in FY2019.

Revenue Breakdown by Country



Profit Before Tax ("PBT")

YB Ventures returned to the black in FY2020 and achieved a PBT of RM9.0 million as compared to a loss before tax ("LBT") of RM6.3 million in FY2019. This translated to a PBT margin of 9.8% for the current financial year under review. The turnaround was chiefly due to the one-off gain from the disposal of a leasehold land, higher cost efficiency attained stemming from tighter cost control and higher selling price of certain stocks.

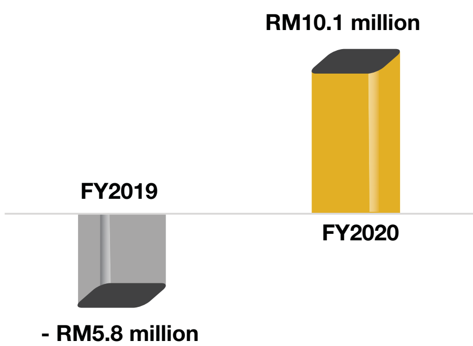


Profit After Tax and Non-Controlling Interest ("PATNCI" or "net profit")

In tandem with the improvement in PBT, the Group's net profit rebounded strongly to RM10.1 million in FY2020 versus a net loss of RM5.8 million a year ago. Net profit for the financial year under review was also boosted by a lower effective tax rate arising from unrecognised deferred tax asset.

Capital Structure and Resources

YB Ventures' total assets amounted to RM322.8 million as at 31 December 2020, which was a substantial jump of 48.4% or RM105.3 million from RM217.5 million a year ago. This was primarily attributed to the increase in property, plant and equipment ("PPE") as well as higher trade and other receivables. The surge in PPE was a result of a revaluation exercise of PPE to accurately reflect the current market value of the Group's assets. YB Ventures' cash and cash equivalent was at RM55.0 million at the close of the financial year.



On the other hand, the Group's liabilities stood at RM39.9 million as at 31 December 2020. This is an increase of RM18.6 million mainly due to higher deferred tax liabilities recorded. Total borrowings remained negligible at RM2.3 million comprising lease liabilities as the Group has zero bank borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS
CONT'D

FINANCIAL PERFORMANCE REVIEW cont'd

Net Gearing & Net Cash per Share

As at 31 December 2020, YB Ventures continued to be in a net cash position with a net cash per share of 37.8 sen.

Net Operating Cash Flow ("NOCF")

In FY2020, the Group generated a positive NOCF of RM4.2million. YB Ventures has generated positive NOCF in FY2019 as well.

Balance Sheet Highlights as at 31 December 2020

Total Assets
RM322.8
million

Total Equity
RM283.0
million

Net Assets
RM1.94
per Share

Net Cash
37.8 sen
per Share

RM million	FY2019	FY2020
Total Assets	217.5	322.8
Cash & Cash Equivalent	29.7	50.0
Total Equity	196.2	283.0
Total Liabilities	21.3	39.9
Total Borrowings	0.8	2.3
Current Ratio (x)	7.8	7.7
Net Assets per Share (RM)	1.35	1.94
Net Gearing	Net Cash	Net Cash

ANTICIPATED AND KNOWN RISKS

YB Ventures remains both cognizant and vigilant of the known and anticipated risks that may have material effects on our operations, financial performance, and liquidity. These risks may ultimately disrupt the value creation process for our stakeholders if not managed proactively. The principal risks that the Group is exposed to are outlined below along with the mitigation measures.

KEY AREA	RISK FACTORS	MITIGATION MEASURES
Political, Economic, and Regulatory Risks	Part of our workforce comprises foreign workers, while electricity and natural gas expenses form a key cost component. In addition, the Group's performance also partially correlates to the performance of the property sector. Any changes in regulations and policies governing these areas may impact our operations. Examples include issues pertaining to minimum wage; foreign worker levy; changes in utility tariffs and cost pass-through mechanism; as well as measures by authorities to relax or tighten guidelines pertaining to property purchase and lending, etc.	First and foremost, we ensure our operations comply with all applicable regulations and policies. The Group actively engages with authorities and relevant business associations to provide feedback and to gain an understanding of any changes in regulations and policies. As for cost-related matters, we continuously monitor and track our costs to optimize production and improve efficiency while minimizing waste.

MANAGEMENT DISCUSSION AND ANALYSIS
CONT'D

ANTICIPATED AND KNOWN RISKS cont'd

KEY AREA	RISK FACTORS	MITIGATION MEASURES
Competition risk	The Group faces stiff competition from both local players and pressure from cheaper imports from overseas.	To mitigate the risk, the Group cultivates close relationships with its partners and distributors to offer differentiation through excellent service levels. Product innovation is another key factor in fending off competition. Through R&D, we continue to reinvent our products by adopting the latest technological advancements and incorporating them with our proprietary formulation to create innovative products that define the latest trends.
Enterprise risk	Enterprise risk relates to risks potentially affecting the Group's operations as well as financial and compliances matters.	The Group monitors closely the various indicators relating to operational, financial and compliance aspects of the business. Additionally, we also have our Enterprise Risk Management Framework encapsulated in the Group's Risk Management Policy manual.

With the addition of the new IT Solutions division, we are now also subject to risks inherent in the industry including demand conditions, regulations, and so on. As the landscape of the IT industry is an ever-changing one, we are particularly focused on staying technologically relevant by anticipating changes in demand and market trends.

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

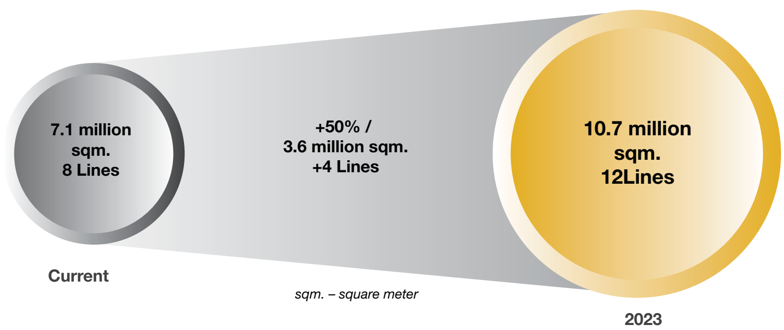
OUTLOOK AND PROSPECTS

Looking ahead, we expect the business operating environment to remain exigent underpinned by challenging economic climate and keen competition. Nevertheless, we are seeing signs of recovery following the Government's efforts to stimulate the Malaysian economy. Moreover, new cases of Covid-19 appear to be under control while mass vaccination exercise is underway to inoculate the population. Against this backdrop, we expect consumer sentiments to improve and businesses to report better sales going forward.

Our production has been running at full capacity since September 2020 on the back of clearing order backlog as well as healthy new demand. During the second movement control order ("MCO 2.0") that was imposed in January 2021, our production continued to run as usual without disruptions. From our discussions with customers and industry players, new property launches are back on the cards after a quiet year in 2020, and this certainly augurs well for us. As such, we expect the demand for our tiles to sustain at a fairly robust level over the medium term.

In order to cater for demand, we will be expanding our production capacity by around 50% as we upgrade our existing production lines and add 4 new lines over the next 2 years. By upgrading our machines, we could enhance our product offering, enabling us to cater for larger tiles, which are more aligned with the customer buying behaviours.

Annual Tiles Production Capacity



MANAGEMENT DISCUSSION AND ANALYSIS
CONT'D

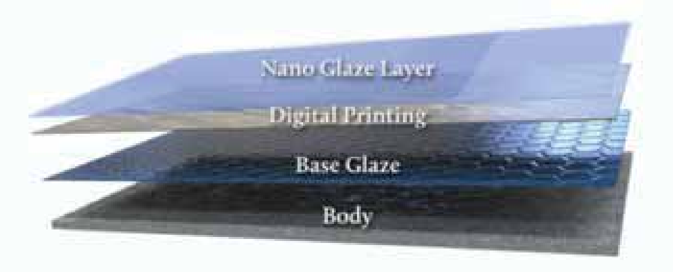
OUTLOOK AND PROSPECTS cont'd

In addition, the new manufacturing lines would allow us to improve our production efficiency as the new lines are more advanced and could improve the product quality, production flexibility as well as overall productivity while reducing energy consumption and environmental impact.

We have earmarked RM45.6 million for the capacity expansion, which would be funded through the proceeds from the Proposed Rights Issue and/or a combination of internally generated funds and bank borrowings.

The Group will continue to focus on enhancing our efficiency and productivity to optimise the level of outstanding inventories. Furthermore, we are continuously investing in research & development ("R&D") to develop new range of innovative products for our customers. The Group has a few new exciting products in the pipeline. Meanwhile, our reformulation of the ingredients for tiles, which aims to reduce the use of natural gas in the production process, has also begun to bear fruit.

Through the efforts of the Group's R&D team, our premium tile brand, Talos Living Tiles ("Talos") has received encouraging response from overseas customers such as Singapore. Talos, which was first launched in November 2019, is a new generation of functional tiles that incorporates advanced nano glazing technology which is expected to bring about numerous health benefits from the release of negative ions. Talos is certified by China's national accredited laboratory, Guangdong Detection Center of Microbiology and global testing, certification, inspection and training provider, TÜV SÜD. With the above, we believe it will boost our competitiveness in the industry. Currently, we are exploring opportunities to export Talos to other countries as well.



Talos Nano Glazing Technology

At the Group level, a series of strategic transformation programmes have been instituted by the new leadership to revive sales and financial performance, as well as to steer YB Ventures to the next level of growth. These transformation initiatives centres on introducing products that are aligned with customer buying behaviour, optimising business model for better accountability, simplifying operations and improving cost-efficiency. We also have plans to implement a warehousing management system ("WMS") and a customer relationship management system ("CRM"), which are currently in their respective system testing stage. With the implementation of the systems, it would optimise our business operations and enhance relationships with customers.

MANAGEMENT DISCUSSION AND ANALYSIS
CONT'D

OUTLOOK AND PROSPECTS cont'd

Additionally, our venture into IT solutions in the field of blockchain technology solutions and system integration services is part of our growth strategy to diversify our earnings base. Our JVA with TechBase Solution serves as an entry point into the growing IT industry. It will provide a new source of income through the JVC, TechBase System.

TechBase System will be focusing on the provision of blockchain technology solutions and system integration services in the Malaysian market as well as being the exclusive dealer for TechBase Solution's enterprise resource planning ("ERP") solutions in overseas markets including, amongst others, Singapore, Thailand, Hong Kong and Indonesia. We will be developing and distributing our in-house blockchain technology solutions and system integration services in the domestic market at the initial stage with the possibility to expand the services abroad in the future given the scalability of the business.

YB Ventures will be leveraging on the knowledge, expertise, skills and experience of TechBase Solution to maximise the potential of our new venture and investment. TechBase Solution has a proven track record and solid historical financial performance. It recorded a profit after tax of RM5.9 million on the back of RM11.6 million in its latest full-year results.

It was also an opportune time for the Group to enter this new business given the fast-growing demand as the nation pushes towards digital transformation. This is evident in the recent unveiling of the Government's MyDigital initiative that is projected to spur the IT industry growth in the coming years. All in all, the prospects of the IT industry remain bright. According to Global market intelligence firm, International Data Corporation's ("IDC") prediction in February 2019, the IT industry is projected to account for 21.0% of Malaysia's gross domestic product ("GDP") by 2022, up from 18.2% in 2016.

Premised on the above, we are confident that our foray into the IT industry is in the right direction and shall provide the Group with sustainable earnings over the medium-to-long term. On balance, the outlook of the Group is promising as we strive to deliver exceptional value to our stakeholders including our esteemed shareholders.

ACKNOWLEDGMENT

First and foremost, I would like to extend my appreciation to the members of the Board for their contribution and wise counsel, without whom we would not have been able to achieve many of our goals. To the management of YB Ventures, thank you for your constant backing in the past year. Your hard work and dedication, particularly in a year as challenging as 2020, have been crucial in our turnaround and transformation efforts.

The Board saw some changes during the year under review. We bid farewell to our Independent Non-Executive Chairman Dato' Wong Gian Kui, Independent Non-Executive Director Ms. Anita Chew Cheng Im as well as Non-Independent Non-Executive Directors Mr. Tan Jian Hong, Aaron and Ms. Wendy Kang Hui Lin. We would like to record our appreciation for their contributions to the Group and wish them all the best in their future endeavours.

We are also pleased to welcome Tan Sri Dato' Sri Dr. Ali Bin Hamsa as our new Independent Non-Executive Chairman, Mr. Lee Boon Siong as our new Executive Director, as well as Dato' Sri Gan Chow Tee and Mr. Tan Eik Huang as our new Independent Non-Executive Directors. Given their experience and expertise, we are confident that they will contribute positively to the Group. I am also appreciative of the trust placed in me to steer the Group forward as the new Executive Director of the Board since 27 August 2020.

Last but not least, my sincerest gratitude to all the stakeholders, amongst others, shareholders, business partners, bankers, and relevant authorities for their continued support. I am excited about what lies ahead for YB Ventures and am optimistic that we will be able to reach new heights in 2021.

Au Yee Boon
Executive Director

SUSTAINABILITY STATEMENT

At YB Ventures Berhad ("YB Ventures" or "the Group"), we seek to create long-term value for our stakeholders by embedding sustainability governance and principles into the Group's business strategies.

The Board of Directors ("the Board") is pleased to present an update of the sustainability initiatives undertaken by the Group in the financial year ended 31 December 2020 ("FY2020"). This represents the Group's fourth Sustainability Statement, summarising our efforts and approach to sustainability development, incorporating the Economic, Environmental and Social ("EES") factors into YB Ventures' business operations.

Reporting Scope and Period

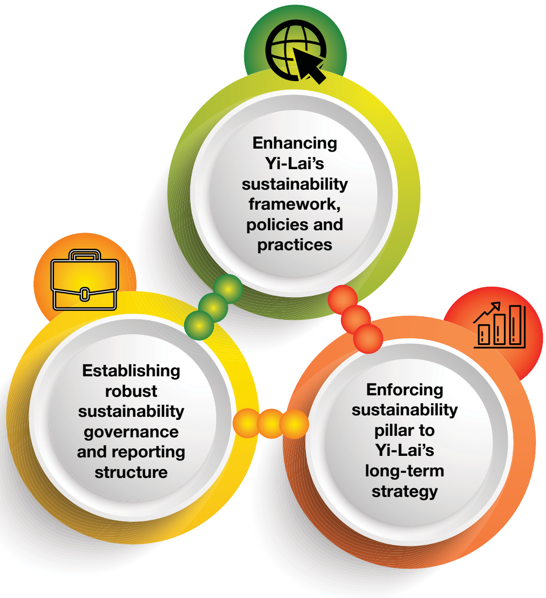
This statement covers the sustainability measures and performance of YB Ventures' tile manufacturing operations and corporate headquarters located in Kulai, Johor from 1 January 2020 to 31 December 2020, unless otherwise stated. For selected performance indicators, we have included historical data from the prior year for comparison purposes.

Reporting Framework

The disclosures in this statement have been prepared in accordance with the Main Market Listing Requirements ("MMLR") issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") and in reference to the 2nd Edition of Bursa Malaysia's Sustainability Reporting Guide and Toolkits.

We aim to enhance the disclosures and coverage of the sustainability report as we move forward, as we work towards providing our stakeholders with a broader view of the Group's sustainability initiatives.

YB VENTURES' APPROACH SUSTAINABILITY



SUSTAINABILITY GOVERNANCE STRUCTURE

Sustainability requires a top-down approach, where YB Ventures' Board of Directors ("Board") plays a key role in setting the direction and tone towards achieving its sustainability-related targets.

Our Risk Management Committee ("RMC") is headed by the Executive Director and consists of Head of Departments from Finance, Production, Human Resource, Marketing as well as Research and Development ("R&D"). The RMC reports directly to the Board and is accountable for the implementation of sustainability initiatives across the Group and overseeing our risk management activities.

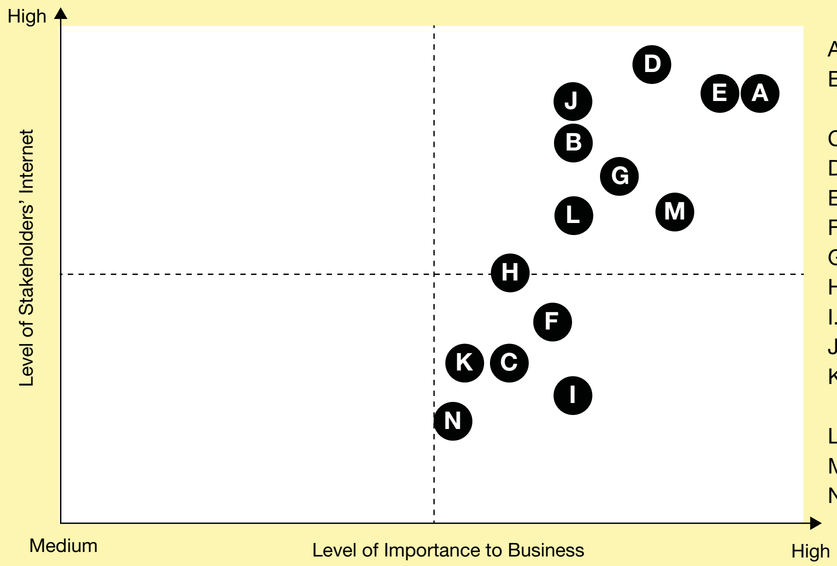
The RMC is assisted by the Group's Management Executive Team and Safety Committee ("SC"). They are responsible for the execution of YB Ventures' sustainability strategies, including identifying, analysing, monitoring and managing the EES risks and opportunities. The SC is made up of members from Safety, Human Resources and Operations units.

YB Ventures' Sustainability Governance Structure

SUSTAINABILITY STATEMENT
CONT'D

MATERIALITY ASSESSMENT

YB Ventures' materiality assessment is based on our dialogue and feedback from internal stakeholders. Pertinent matters for us are EES risks and opportunities that may influence the Group's ability to create value. We assess materiality based on two elements, which are the impact to YB Ventures and importance to key stakeholders. For the year 2020, we continue to consider the 14 material topics that were identified and prioritised in the prior year, as they remain relevant in the current operating climate.



A. Economic performance
B. Corporate governance and ethical behavior
C. Sustainable value chain
D. Product quality and safety
E. Customer satisfaction
F. Water management
G. Energy management
H. Air quality management
I. Waste management
J. Comliance with environment laws
K. Diversify and equal opportunity employment
L. Training and development
M. Occupational safety and health
N. Community engagement

STAKEHOLDER ENGAGEMENT

At YB Ventures, we acknowledge the importance of both internal and external stakeholders' contribution to the Group's sustainable growth. We strive to engage with stakeholders via multiple platforms to better understand the interests and expectations of key stakeholder groups, enabling us to make more informed business decisions.

Major stakeholders	Communication channels	Areas of interest
Shareholders / Investors	• Annual General Meeting • Annual Report • Bursa Malaysia announcements • Meetings and briefings • Corporate website • Media releases	• Business continuity • Economic performance • Shareholders' return • Corporate governance
Customers	• Regular engagements • Meetings • Customer satisfaction survey • Products and services briefings • Showrooms • Media announcements	• Customer satisfaction • Product quality and safety • Quality assurance
Suppliers	• Regular interactions • Procurement agreements • Business reviews • Meetings	• Supply chain management • Ethical and transparent procurement policies

STAKEHOLDER ENGAGEMENT cont'd

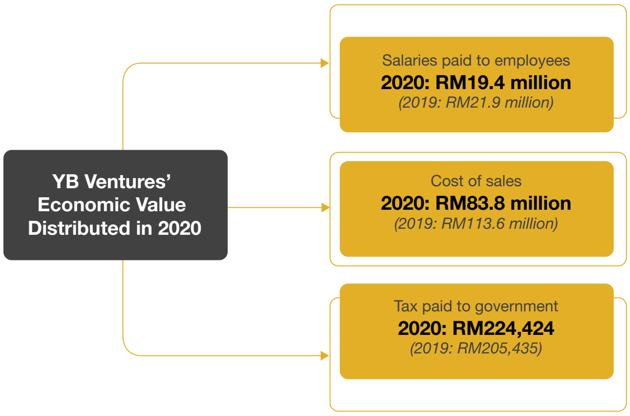
Major stakeholders	Communication channels	Areas of interest
Employees	• Daily interactions • Annual performance reviews • Benefits plans • Training and development sessions • Office events	• Fair HR policies and practices • Health and safety • Workplace satisfaction • Covid-19 precautionary measures
Regulatory agencies	• Periodic site visits and meetings • Consultation on regulatory matters	• Compliance to regulations
Local communities	• Community events • Donations	• Contribution towards local economy and community • Local employment and procurement

YB Ventures' Key Stakeholder Groups

ECONOMIC IMPACT

Economic Performance

The economic and financial performance of YB Ventures is a key driver in our pursuit of sustainability. We strive to generate long-term and sustainable economic value through contributions to our stakeholders, including shareholders, employees, suppliers and financiers. In 2020, we continued to distribute economic benefits to the broader society, as shown in the diagram below.



Corporate Governance and Ethical Behaviour

In line with YB Ventures' core values, we believe in upholding integrity in our business conducts following the corporate governance framework and policies we have established.

We have enforced a Code of Conduct that is applicable to YB Ventures' Directors and employees, outlining expectations to display high levels of professionalism in daily dealings with internal and external stakeholders. It covers various topics such as workplace behaviour, confidentiality matters, protection of assets and occupational health and safety, among others. All employees are required to adhere to the code to ensure compliance with the relevant laws, rules and regulations.

A whistle-blowing channel is also available to allow any reporting of genuine concerns on suspected unethical behaviours, illegal acts or failure to comply with regulatory requirements, by employees or stakeholders without fear of disciplinary action or reprisal. This mechanism provides protection to the whistle-blower with the report kept confidential.

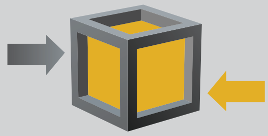
In 2020, YB Ventures developed an Anti-Bribery and Corruption ("ABC") Policy, cementing our stance on zero-tolerance towards bribery and corrupt practices. This is pursuant to the Malaysian Anti-Corruption Commission Act and Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A under the MACC Act. The ABC Policy is enforced on all business dealings and transactions of the Group, laying out how gifts, entertainment, hospitality and travel matters should be assessed and governed.

SUSTAINABILITY STATEMENT
CONT'D

ECONOMIC IMPACT cont'd

Sustainable Value Chain

YB Ventures recognises that sustainability covers the entire value chain with suppliers and business partners. As such, proper management of procurement practices is key to the sustainability of our business to ensure our products are of certain quality. Our focus remains on maintaining smooth operations with a secure and cost-effective supply chain by engaging with trusted and reputable business partners. Vendors are also encouraged to explore environmental practices within their operations.



82% *of our suppliers are locals*

In building a sustainable supply chain, we take into consideration various factors in our selection process to ensure the reliability of the products and services rendered.

YB Ventures is a strong advocate in supporting the local economy and continues to procure locally, where possible. In 2020, approximately 80% of YB Ventures' total purchases are from competitive local suppliers, and 82% of our suppliers are locals.

Product Quality and Safety

Our goal at YB Ventures is to become a preferred choice of tiles for our clients by offering safe, reliable and high-quality products. We manufacture various types of tiles that come in three different forms, namely ceramic, homogenous and porcelain, which are marketed under our proprietary brand, ALPHA TILES®. Apart from that, we produce tiles for our Original Equipment Manufacturer ("OEM") customers under private labels.

YB Ventures also carries a premium tile brand, Talos Living Tiles ("Talos"), incorporating advanced nano-glazing technology, that generate continuous release of negative ions. This helps to cleanse the surrounding air from harmful contaminants, contributing to a healthier and enhanced living and working environments. Talos tiles have undergone and passed various tests to verify its negative-ion generating function and are certified by the German testing lab, TÜV SÜD (Singapore branch), as well as Gmicro Testing by GuangDong Detection Center of Microbiology, a China National Accredited Laboratory.

To ensure the quality and safety of our products are maintained, our operations are governed by a series of quality control procedures that are embedded into our tile manufacturing processes. Our commitment to upholding quality in our products is reflected in the certification of our operations with globally recognised standards, MS ISO 9001:2008 Quality Management System, with our ceramic tiles meeting the requirements of MS ISO 13006:2003 for Product Quality Certification.

Customer Satisfaction

YB Ventures' customers remain as the Group's main focus. As a major tile manufacturer, we seek to deliver a high level of customer satisfaction by producing top-notch product offerings and services.

We engage with customers on a regular basis in order to better understand their needs and requirements. Our interactions with customers involve the distribution of the Customer Satisfaction Survey, which acts as a platform to collect feedback on customer experience. This allows us to identify areas of improvement and monitor customer satisfaction level, enabling us to better manage the expectations of our customers.

In 2020, we received a lower number of customers' feedback from the previous year. A majority of the matters that were highlighted are in relation to cracked tiles, of which we have instituted several enhancement measures to the wrapping material used and strapping method.

In an effort to improve the YB Ventures' customer service, our dealers are also equipped with the proper and in-depth knowledge on the characteristics, designs and benefits of the Group's offerings. With improved understanding of our products, our dealers are able to provide a higher level of service and recommendations of technical as well as aesthetic specifications to customers.

ENVIRONMENTAL IMPACT

Compliance of Environmental Laws

YB Ventures is committed to operating in compliance with the relevant environmental laws and regulations in all material aspects, while pursuing a smaller ecological footprint, without compromising on product quality. In this respect, we aim to preserve the surrounding environment by mitigating the impact of our operations by putting in place proper controls and system at the Group's premises. This way, we are able to identify environmental risks and opportunities, allowing us to enforce programs and promote awareness in pursuit of continual improvement. We are working towards enhancing our environmental initiatives with the establishment of a formal Environmental Policy. During the year, YB Ventures recorded zero incidences of environmental non-compliance.

ZERO *cases of environmental non-compliance in 2020*

Water Management

Water is an essential element in our processes. Our tile manufacturing operations require considerable amounts of water, which is used in almost all phases of production, from preparation of the mass to the glazing of the tiles. Hence, we endeavour to conserve this natural resource, when possible, by monitoring our water usage and making full use of the available water sources.

100% *of wastewater is recycled*

At our factory, we have an on-site closed-circuit water circulation system, that enables the wastewater effluent from the Group's production processes to undergo treatment and to be recycled and reused in our operations. To ensure the suitability of water, the water quality is tested for chemical content before releasing for production usage.

We endeavour to minimise the extraction of freshwater by using clean water from the municipal water supply for certain functions where clean water is required, such as for the glaze preparation process. Other than that, we have a natural pond within our premises, where we source and harvest rainwater. In 2020, our operations utilised a total of 32,940 m^3 of water, registering a downtrend in water consumption partly due to the temporary halt in operations during the Government-imposed Movement Control Order ("MCO").

	2020	2019	2018
Water consumption (m^3)	32,940	42,328	46,499
Water recycled and re-used (m^3)	82,350	101,925	118,697

YB Ventures' Water Consumption and Recycled Volume

SUSTAINABILITY STATEMENT
CONT'D

ENVIRONMENTAL IMPACT cont'd

Energy Management

Due to the nature of our manufacturing activities, our processes use a substantial amount of energy, where the raw materials are compressed and fired at high temperatures to produce the finished product. Hence, we are focused on enhancing our energy efficiency by managing the Group's energy utilisation at our manufacturing plant and corporate headquarters.

20% reduction *in energy consumption in 2020*

We utilise energy in the form of electricity from the national grid and natural gas. For our thermal processes, we use clean energy such as natural gas to fire the kiln, horizontal dryer and spray dryer. Our energy consumption is monitored using an installed Energy Measuring Meter.

During the year, we continued to perform energy efficiency initiatives such as, among others, scheduled maintenance of equipment to minimise downtime, scheduling operations of energy-intensive machinery to off-peak hours and raising awareness on energy conservation behaviours among employees. YB Ventures' total energy consumption reduced by 20% in 2020 mainly on the back of reduced operations following the MCO.

Looking ahead, we aim to increase the usage of clean or renewable energy to generate power across the Group. We are exploring the option to install solar photovoltaic panels at our premises to reduce our reliance on fossil fuel. At the same time, we are working towards installing gauges at every kiln to monitor the Group's natural gas usage. Apart from that, we are enhancing the formulation of the ingredient of tiles that can contribute towards lower firing temperature and cycle time.

Air Quality Management

Air sampling tests are performed every year to monitor the Group's air emission level ensuring that they are well below the limits set by the Department of Environment ("DOE") pursuant to the Environmental Quality (Clean Air) Regulations 2014 of the Environmental Quality Act 1974. Our goal is to reduce the level of particulate matter and gaseous emissions from our processes. A dust filtration system has been installed at the main dust emission points at our facility to mitigate our carbon discharge. In 2020, YB Ventures' average reading for dust came in well within the Malaysian Ambient Air Quality Standards of 260 µg/m^3.

Waste Management

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

We have put in place Standard Operating Procedures ("SOPs") to ensure careful handling of the Group's scheduled waste materials. All scheduled waste materials are managed in compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005 of the Environmental Quality Act 1974. A DOE-licensed waste contractor is appointed to collect the scheduled waste and transported for disposal. Meanwhile, the Group's non-scheduled wastes are scrapped or collected by waste collectors to be either recycled or disposed at authorised landfills.

As part of our waste management protocol, we advocate 3R (Reduce, Reuse and Recycle) practices to minimise waste within our processes. Used engine and hydraulic oils are re-used for the machineries as lubricant, while greenware scraps are recycled for various functions, such as the preparation of the mass of the tiles.

SOCIAL IMPACT

YB Ventures endeavour to become a positive force in the community by being a responsible and fair employer, while providing a safe and conducive working environment that embraces diversity. As a responsible corporate citizen, we also strive to give back to the local community of where we operate, contributing towards local economic development.

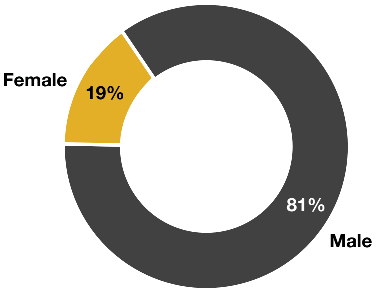
SUSTAINABILITY STATEMENT
CONT'D

SOCIAL IMPACT cont'd

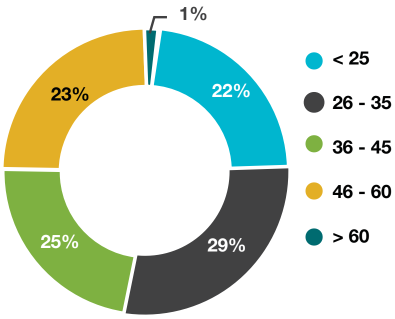
Diversity and Equal Opportunity Employment

As an equal opportunity employer, YB Ventures recognises that a diverse and inclusive workplace nurture higher productivity and collaboration among employees. Hence, we place great importance on developing a work environment where our people can demonstrate their full potential and come together to work towards common goals. By having a diversified workforce, fresh perspectives and ways of thinking are cultivated, leading to improved decision-making and results.

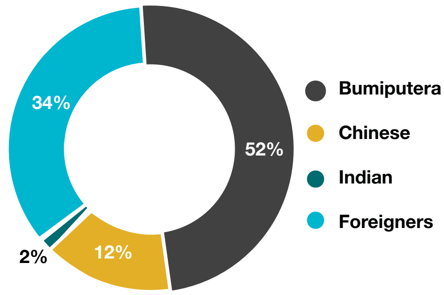
Gender Distribution



Age Distribution

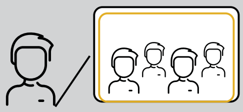


Ethnic Distribution



At YB Ventures, all employees respect one another's human rights and as such, discrimination based on, among others, race, nationality, gender and age, is forbidden. In 2020, YB Ventures has a total workforce of 616 employees, with 81% of our employees being men, while the remaining 19% are women. We recognise that being in the manufacturing sector, there are challenges in attracting and retaining female talent. Keeping that in mind, we expect the number of our female talents to grow moving forward as we introduce more opportunities with our venture into the Information Technology ("IT") solutions market and adding more work prospects that are suited to women. At the same time, 51% of our employees are below the age of 35 years old, ensuring a strong young talent pool as we nurture the next generation of leaders at YB Ventures.

Training and Development



RM75,000 *invested in training in 2020*

YB Ventures is only as strong as its collective talent and our success is dependent on our ability to attract, develop and retain skilled individuals. To remain competitive, we offer a broad range of development opportunities to support our employees' growth. During the year, we invested approximately RM75,000 in learning and training initiatives for employees, with sessions covering various topics in relation to, among others, technical training, safety and health as well as soft skills development, for different level of employees. YB Ventures provided 22 training programmes across the Group in 2020 and clocked in approximately 2,300 training hours, translating to an average of 3.7 hours of training per employee. Due to the containment measures arising from the Covid-19 pandemic, the Group continued to conduct learning sessions via online platform in 2020.

As part of the Group's human capital strategy, we offer employees competitive remuneration packages with on-the-job benefits, including annual leaves, medical coverage and group life insurance, to name a few. Employee performance reviews are conducted annually based on meritocracy, to appropriately remunerate talents.

Moreover, eligible employees are also granted share options to subscribe to YB Ventures' shares through the Group's Employees Share Options Scheme ("ESOS"). The scheme is offered in recognition of our workers' contributions to the Group. This initiative is also aimed at attracting new talents and retaining suitable individuals to ensure long-term business continuity.

Occupational Safety and Health

YB Ventures places high priority in protecting the well-being and safety of our employees. It is our responsibility to enforce safety measures that prevent accidental injuries and occupational-related illnesses from occurring to our people.

Our approach to health and safety is outlined in YB Ventures' Occupational Safety and Health ("OSH") Policy. The policy reflects our commitment to minimise the Group's work-related incidents by identifying hazards and managing the safety risks at our workplace. To ensure the robustness of the Group's safeguards, the OSH Policy is reviewed on a periodic basis.

SUSTAINABILITY STATEMENT
CONT'D

SOCIAL IMPACT cont'd

Occupational Safety and Health cont'd

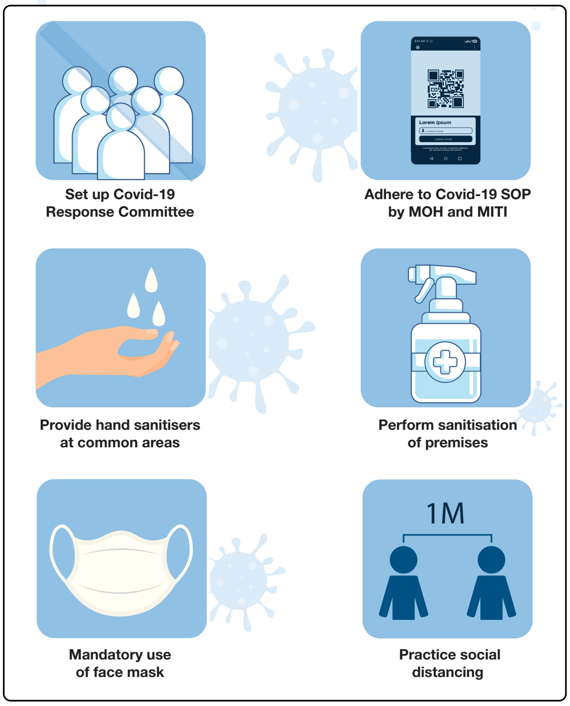
A dedicated OSH Committee made up of representatives from various departments of the Group is established to oversee all OSH-related matters as well as to, monitor the Group's safety performance and also advise on the effectiveness of the OSH Policy. We also have an Emergency Response Team ("ERT") that is well-equipped and prepared to extend ERT-related assistances in the case of emergency situations.

We believe that workplace and safety is a shared responsibility. OSH briefings and training sessions are organised among employees in an effort to enhance our OSH competencies and raise safety awareness. We also provide appropriate personal protective equipment ("PPE"), such as N95 face masks, safety shoes and chemical gloves, for workers to protect their safety against hazards when completing tasks.

In 2020, YB Ventures recorded a Lost Time Injury Frequency Rate ("LTIFR") of 2.4 per 1 million manhours, with no major incidents reported. There were also no fatalities that occurred during the year. As we move ahead, we are committed to maintain a strong OSH standard with 100% compliance to regulatory requirements.

Covid-19 Pandemic Precautionary Measures

With the rapid outbreak of Covid-19 pandemic, YB Ventures had acted swiftly in response to curb the spread of the virus at our premises. We have set up a dedicated Covid-19 Response Committee and established stringent SOPs to be adhered in accordance with the relevant authorities' guidelines, across the Group. Various precautionary measures were introduced to mitigate exposure to the virus, as shown in following diagram. All employees have also undergone Covid-19 screening as required by the authorities.



YB Ventures' Response to Covid-19 Pandemic

Community Engagement

YB Ventures seeks to make a positive impact on society by investing towards the well-being of the community through charitable donations and providing job opportunities.

We encourage the hiring of local workers at our operations, as we play a part in contributing towards domestic economic growth. In 2020, 61% of our total workforce comprised locals who are from the Johor state.

At the same time, YB Ventures continued to fulfil our social responsibility and carried out Corporate Social Responsibility ("CSR") activities to enhance the local communities' livelihoods. During the year, our team organised a visit to the Tecen Confinement Home in Kulai, Johor, where the Group donated essential food items and other basic necessities to the residents of the old folks' home.

Food and basic necessities donation to Tecen Confinement Home

CORPORATE GOVERNANCE OVERVIEW

The Board of Directors of YB Ventures Berhad ("YB Venture" or "the Company") (Formerly Known As Yi-Lai Berhad) presents this statement to provide shareholders and investors with an overview of the corporate governance ("CG") practices of the Company under the leadership of the Board during the financial year 2020. This overview takes guidance from the key CG principles as set out in the Malaysian Code on Corporate Governance 2017 ("MCCG") issued by Securities Commission Malaysia in April 2017.

This statement is prepared in compliance with paragraph 15.25(1) and Practice Note 9 of Bursa Malaysia's Main Market Listing Requirements ("MMLR") and it is to be read together with the CG Report 2020. The CG Report provides the details on how the Company has applied each Practices set out in the MCCG during the financial year ended 31 December 2020. The CG report is available on the Group's corporate website at www.alpha-tiles.com.my.

TOWARDS THE CORPORATE GOVERNANCE

One of the key accountabilities of the Board to the Group's shareholders and other stakeholders is sustaining a strong and effective corporate governance structure. The Board is fully aware of the significance of sound corporate governance in preserving and enhancing shareholders' value. Therefore, the Board is committed to ensure that high standards of corporate governance are practiced and inculcated into the organisational culture.

The Board will continuously uphold good corporate governance practices and will endeavor to ensure that the principles and practices advocated therein by the MCCG are observed, where applicable and appropriate. The Board is satisfied that to the best of their knowledge, the Company has substantially complied with the principles and practices of the MCCG throughout the financial year ended 31 December 2020 ("FYE 2020").

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Principal Responsibilities of the Board

The Board is always mindful of its responsibilities to the Group's shareholders and various stakeholders for creating and delivering sustainable value and long-term success through its leadership and management of the Group's business, in meeting the objectives and goals of the Group. The Board acknowledges that its key responsibilities includes establishing the Group's objectives, deliberating and directing the strategic plans and policies and allocation of the Group's resources to align with the overall objectives of the Group. The primary focus of the Board mainly comprising formulating of strategies, overseeing the proper conduct of the Group's business, monitoring financial performance, evaluating and managing the principal risks faced by the Group, reviewing and implementing risk management and internal control system, as well as succession planning.

In discharging the Board's duties and responsibilities, the Board has delegated certain duties and responsibilities to four other Board Committees namely the Nomination Committee, Remuneration Committee, Audit Committee and Risk Management Committee to assist the Board in overseeing the Group's affairs and in deliberation of issues within their respective functions and terms of reference which outline clearly their objectives, duties and powers. The terms of reference of the Board Committees are available in the Company's website at www.ybventuresberhad.com.

The Board keeps itself abreast of the responsibilities delegated to each Board Committee, and matters deliberated at each Board Committee meeting through the minutes of the Board Committee meetings and reports from the respective Board Committee Chairman on resolutions and key issues deliberated at the Committee meetings, which are presented to the Board during the Board meetings at the appropriate regular intervals.

The Board has also established clear functions reserved for the Board and those delegated to the Management. The respective roles and responsibilities of the Board and Management are clearly set out to ensure accountability of both parties.

CORPORATE GOVERNANCE OVERVIEW
CONT'D

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

I. BOARD RESPONSIBILITIES cont'd

Principal Responsibilities of the Board cont'd

To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Group during the FYE 2020, the Board had and amongst others continues to: -

- promote good governance culture within the Group which reinforces ethical, prudent and professional behavior;
- review and decide on Management's proposals and monitor the implementation by management;
- ensure that strategic plan of the Group supports long term value creation and sustainability;
- supervise and assess Management performance regularly;
- ensure that there is a sound framework of internal controls and risk management;
- understand the principal risks surrounding the Group's business and set the risk appetite ensure the risks are properly managed;
- ensure that the Group has in place procedures to enable effective communication with stakeholders; and
- ensure the integrity of the Group's financial and non-financial reporting.

For the Board to effectively discharge the above responsibilities, the Board has established a governance structure for the Group as follows:

BOARD OF DIRECTORS
GOVERNANCE COMMITTEES
Audit Committee
Nomination Committee
Remuneration Committee
Risk Management Committee

RISK MANAGEMENT COMMITTEE
GOVERNANCE AND OPERATIONS
Yi-Lai Industry Berhad
Yi-Lai Marketing Sdn Bhd
Yi-Lai Trading Pte Ltd
YB Technologies Sdn Bhd
Techbase System Sdn Bhd

Chairman of the Board

The Chairman is elected by the Board members and has considerable experience in the Group's business. The Board is chaired by Tan Sri Dato' Sri Dr. Ali Bin Hamsa, an Independent Non-Executive Chairman, who is able to provide effective leadership, strategic direction and necessary governance to the Group.

Tan Sri Dato' Sri Dr. Ali Bin Hamsa provides leadership to the Board without limiting the principle of collective responsibility for the Board's decisions, leads Board meetings and discussions in a manner to encourage constructive discussions and effective contributions from each Director; reviews the minutes of the Board meetings to ensure that the minutes accurately reflect the Board's deliberations, and matters arising from the minutes have been addressed; encourages active participation and allows dissenting views to be freely expressed; ensures appropriate steps are taken to provide effective communication with the stakeholders and that their views are communicated to the Board as a whole and leads the Board in establishing and monitoring good corporate governance practices in the Group.

CORPORATE GOVERNANCE OVERVIEW
CONT'D

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

I. BOARD RESPONSIBILITIES cont'd

Chairman and Management

The roles of the Chairman of the Board and Executive Director are held by two (2) different individuals and each has a clear accepted division of responsibilities to ensure a balance of power and authority, such that no one individual has unfettered powers of decision making. The Chairman of the Board is primarily responsible for the achievement of the Group's strategic vision and leads the Board in its collective oversight of management, while Mr Au Yee Boon as Executive Director and the Management team are responsible for the day-to-day management of the operations of the Group and the implementation of the Board's policies and decisions.

Company Secretary

The Board is supported by Company Secretary. The Company Secretary is qualified Company Secretary as per Section 235(2)(a) of the Companies Act 2016. He is external Company Secretary with vast knowledge and experience from being in public practice and are supported by a dedicated team of company secretarial personnel.

The Company Secretary play an important advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretary is also responsible to ensure that accurate and proper recording of proceedings and resolutions at the Board, Board committee meetings and general meetings.

The Board is regularly updated and advised by the Company Secretary on any new statutory and regulatory requirements in relation to their duties and responsibilities. All Board members have unrestricted access to the advice and services of the Company Secretary for Board's affairs and the Group's business. The Company Secretary attend the Board meetings and all proceedings and conclusions from the Board meetings are minuted and signed by the Chairman.

Access to Information and Advice

A formal agenda together with the meeting materials are circulated to the Board members at least seven (7) days in advance of the Board/Board Committee meetings to ensure the Directors have sufficient time to review and to solicit further clarification and/or information, where necessary, so as to enable them to duly discharge their duties and ensure that deliberations at the meeting are constructive and focused. Management team and external advisers are normally invited to attend meetings to provide insights and professional views, advice and explanation on specific items on the meeting agenda.

The Board is given a full and unrestricted access to all information pertaining to the Group's affairs at all times to help in discharge of their fiduciary duties effectively. The Board is allowed, whether as a full Board or in their individual capacity, to solicit independent professional advice, where necessary and in appropriate circumstances, in furtherance of their duties, at the Group's expense. If such advice is considered necessary, it shall first be discussed with the Chairman before proceeding further.

Board Charter

The Board is guided by its Board Charter which clearly sets out the Board's roles, duties and responsibilities in discharging its fiduciary and leadership functions. The objective of the Board Charter is to ensure that the members of the Board practice good corporate governance in their business conducts and dealings in respect of and on behalf of the Group and comply with the various laws and regulations governing them and the Group.

CORPORATE GOVERNANCE OVERVIEW
CONT'D

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

I. BOARD RESPONSIBILITIES cont'd

Board Charter cont'd

The Board Charter includes a formal schedule of matters reserved for the Board. The said schedule details the responsibilities of the Board and Board-Management relationship, including management limitations. With this, the respective functions, roles and responsibilities of the Directors and Management are clearly set out in the Board Charter as a guidance and clarity to enable them to effectively discharge their duties.

The Board Charter as well as the Terms of References of the Board Committees are reviewed from time to time when necessary. Amendments and updates are made from time to time in accordance with the needs of the Group to ensure its effectiveness and consistency with the Board's objectives and corporate vision as well as to be in line with the changes to statutory and regulatory requirements.

The Board Charter is published and available for reference on the Company's website at www.ybventuresberhad.com.

Code of Conduct

The Board recognises the importance of a Code of Conduct which sets out the principles and standards of business ethics and conduct applicable to all Directors and employees of the Group. The Code of Conduct and Ethics is formulated based on three principles – Integrity, Accountability and Duty to Act in the Public Interest and Best Interest of the Company. All employees play an important role in establishing, maintaining and enhancing the reputation, image and brand of the Group. Since the Group has entities mainly operate in Malaysia and Singapore, the applicable laws and regulations of Malaysia and Singapore apply. The laws and regulations of both countries prohibit similar offences including conflict of interest, corruption, insider trading and money laundering. All Directors and employees are subjected to this statutory related code of conduct. All Directors and employees are required and must observe the confidentiality code of conduct on every action and communication within and external to the Group. All Directors and employees are not allowed to engage directly or indirectly in business activities that compete or are in conflict with the interest of the Group.

The said Code of Conduct is published on the Company's website at www.ybventuresberhad.com.

Whistle Blowing Policy

The Board has adopted a Whistle Blowing Policy which provides avenues for employees to raise concerns, report any breach of the Code and define a way to handle these concerns and breaches. It also enables the Management to be informed at an early stage about acts of misconduct. More importantly, it reassures employees that they will be protected for disclosing concerns/breaches in good faith in accordance with this procedure. It promotes a culture of openness, accountability and integrity. The report should be made in good faith with a reasonable belief that the information and any allegations made are substantially true and the report is not made for personal gain. Malicious and false allegations will be viewed seriously and treated as a gross misconduct and if proven may lead to dismissal.

The Audit Committee is the contact point for all employees. All members of the Audit Committee are the Company's Non- Executive Directors. All reports should be sent directly to any of the Audit Committee member.

The Whistle Blowing Policy is published and available for reference on the Company's website. Since it was last approved, the Board has concluded that the current policy is still valid and relevant.

CORPORATE GOVERNANCE OVERVIEW
CONT'D

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

II. BOARD COMPOSITION

Independent Directors

Currently, the Board consisted of five (5) members, comprising two (2) Executive Directors, one (1) Independent Non-Executive Chairman and two (2) Independent Non-Executive Directors, as follows: -

Name	Designation
Tan Sri Dato' Sri Dr. Ali Bin Hamsa *(appointed w.e.f 16/11/2020)* *(redesignated w.e.f 2/12/2020)*	Independent Non-Executive Chairman
Mr Lee Boon Siong *(appointed w.e.f 2/6/2020)* *(redesignated w.e.f 16/10/2020)*	Executive Director
Mr Au Yee Boon *(appointed w.e.f 27/8/2020)*	Executive Director
Mr Tan Eik Huang *(appointed w.e.f 16/10/2020)*	Independent Non-Executive Director
Dato' Sri Gan Chow Tee *(appointed w.e.f 2/3/2021)*	Independent Non-Executive Director
Ms Anita Chew Cheng Im *(resigned w.e.f 26/8/2020)*	Independent Non-Executive Director
Ms Wendy Kang Hui Lin *(resigned w.e.f 16/10/2020)*	Non-Independent Non-Executive Director
Dato' Wong Gian Kui *(resigned w.e.f 2/12/2020)*	Independent Non-Executive Chairman
Mr Tan Jian Hong,Aaron *(resigned w.e.f 2/12/2020)*	Non-Independent Non-Executive Director

Based on the current Board composition, more than half of the Board comprises Independent Directors thereby it meets the requirement of Paragraph 15.02(1) and (2) of Bursa Malaysia Listing Requirements and MCCG. The Board is satisfied with the level of independence demonstrated by the Independent Non-Executive Directors and their ability to act in the best interest of the Group as a whole. The Independent Non-Executive Directors have maintained their ability to act in the best interest of the Group as a whole. The Independent Non-Executive Directors also maintained their independence in discharging their roles, duties and responsibilities during the financial year under review, and that each of them continues to fulfill the definition of independence as set out in the Bursa Malaysia Listing Requirements. The Nomination Committee shall on an annual basis assess the independence of the Independent Directors.

Tenure of Independent Directors

The Board is aware that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years as recommended by MCCG. However, the Company presently does not have a policy which limits the tenure of its Independent Directors to nine (9) years.

Nevertheless, upon completion of nine (9) years, the Independent Director concerned may:-

(i) Continue to serve on the Board if deemed appropriate and suitable by the Board, subject to him/her being re- designated as a Non-Independent Director; or

(ii) Remain as an Independent Director if deemed appropriate and suitable by the Board, subject to the annual shareholders' approval and through a two-tier voting process to retain an independent director who has served for a consecutive 12 years or more. The Board must provide justification for the decision.

As at the date of this Annual Report, none of the Independent Non-Executive Directors have served a consecutive term of nine (9) years.

CORPORATE GOVERNANCE OVERVIEW
CONT'D

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

II. BOARD COMPOSITION cont'd

Appointment of Board and Senior Management

The Nomination Committee is responsible to oversee the selection process and assess the performance of the Directors with the objective of securing the best composition to meet the objectives of the Company. The Board recognizes that diversity at Senior Management level is also essential to enhance the effectiveness of a well functioned and balance organization while promoting good corporate governance culture. The diverse mix of profiles of the Board of members provide the required range of skills, expertise, experience, professionalism, contribution and competencies required for the Board to effectively discharge its duties in achieving an effective management and stewardship.

The selection and appointment of candidates for the Board membership involve the following procedures: -

(a) Identification of potential candidate(s) upon the recommendations by the existing Board members, senior management, substantial shareholders and/or independent sources such as corporate advisors, recruitment agencies, amongst others;
(b) Assessment on the suitability of potential candidate(s);
(c) Interview with potential candidate(s);
(d) Final deliberation by the Nomination Committee; and
(e) Recommendation to the Board for approval.

In the selection process, the Board and the Nomination Committee endeavour to appoint member(s) that can improve the Board's overall composition balance and enhance the Board's overall effectiveness in discharging its duties. The appointment of the key senior management is also based on criteria such as age, gender, skills, experience and education background.

The Board members collectively make decisions on appointment of a Director, upon recommendation by the Nomination Committee. The Nomination Committee shall first assess the required mix of skills and experience of the candidates, competency, integrity, time commitment and other qualities, before making a recommendation to the Board. In the case of candidates for the position of Independent Non-Executive Directors, the Nomination Committee will determine whether the test of independence under the Bursa Malaysia Listing Requirements are satisfied.

Pursuant to the Company's Constitution, at least one-third (1/3) of the Directors are subject to retirement by rotation at each Annual General Meeting and be subjected to re-election by shareholders at general meeting. All Directors shall retire at least once every three (3) years. The Directors to retire at each year are the Directors who have been longest in office since their last re-election. The Constitution also provides that Directors who are newly appointed by the Board shall retire and subject themselves for re-election by the shareholders at the next Annual General Meeting held following their appointment. In the event of any vacancy in the Board composition which causes not comply with Paragraph 15.02 of MMLR, the Board will fill-up the vacancy within 3 months.

The Nomination Committee has in its recent meeting conducted an evaluation on the Directors who are standing for re- election and re-appointment at the forthcoming Annual General Meeting and upon the recommendation of the Nomination Committee and the Board, the re-election of the said Directors are stated in the Notice of Annual General Meeting.

Policies and Gender Diversity

The Board is aware of the gender diversity promoted under the MCCG. The Board does not have any gender, ethnicity and age diversity policies and targets or set any measures to meet any target. Notwithstanding that, the Board will remain mindful of the gender diversity practice advocated by the MCCG.

The Company currently doesn't has a female Director. The Board's composition and the Senior Management positions during the financial year under review are also diverse in terms of age and ethnicity.

The Group practices as an equal opportunity employer and all appointments and employments are strictly based on merits and are not driven by any racial, gender, ethnicity or age bias.

CORPORATE GOVERNANCE OVERVIEW
CONT'D

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

II. BOARD COMPOSITION cont'd

Nomination Committee

The Nomination Committee set up by the Board comprises exclusively of three (3) Non-Executive Directors as follows:-

Chairman	:	Dato' Sri Gan Chow Tee *(appointed w.e.f 2/3/2021)*	*Independent Non-Executive Director*
Members	:	Tan Sri Dato' Sri Dr. Ali Bin Hamsa *(appointed w.e.f 16/11/2020)*	*Non-Independent Non-Executive Chairman*
		Mr Tan Eik Huang *(appointed w.e.f 16/10/2020)*	*Independent Non-Executive Director*

The Nomination Committee is chaired by an Independent Non-Executive Director. There was one (1) Nomination Committee Meeting held during the financial year ended 31 December 2020 and the Directors attendance are as follows: -

Name	Attendance
Dato' Sri Gan Chow Tee (Chairman)	0 of 0 meeting
Tan Sri Dato' Sri Dr. Ali Bin Hamsa	0 of 0 meeting
Mr Tan Eik Huang	0 of 0 meeting
Dato' Wong Gian Kui (Chairman) (resigned w.e.f 2/12/2020)	1 of 1 meeting
Ms Wendy Kang Hui Lin (resigned w.e.f 16/10/2020)	1 of 1 meeting
Ms Anita Chew Cheng Im (resigned w.e.f 26/8/2020)	1 of 1 meeting

The terms of reference of the Nomination Committee is available on the Company's website at www.ybventuresberhad.com.

The Nomination Committee is charged with the responsibility to oversee the selection and assessment of Directors. The Nomination Committee reviews the effectiveness of the Board, its Committees and the contributions of each individual Director, including Independent Non-Executive Directors, on an annual basis. The Nomination Committee also keeps under review the Board structure, size, composition, and mix of skills, business acumen and competencies required for the Board to effectively discharge its duties.

The Board through the Nomination Committee ensures that only individuals with proper knowledge, experience, caliber, professionalism and integrity to fulfill the duties of a Director are recruited to the Board.

Annually, an assessment is conducted on the effectiveness of the Board. Based on the assessment on the Board for the financial year 2020, the Board was satisfied with the composition, performance and effectiveness of the Board in discharging its roles and responsibilities for the benefits of the Group.

CORPORATE GOVERNANCE OVERVIEW
CONT'D

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

II. BOARD COMPOSITION cont'd

Nomination Committee

For the financial year ended 31 December 2020, Mr Lee Boon Siong is due for retirement and re-election at the Company's forthcoming Annual General Meeting in accordance with Clause 103 of the Company's Constitution. In view of his positive participation and effective contribution to the activities of the Board, the Nomination Committee recommended to the Board for his re-election and re-appointment at the forthcoming Annual General Meeting.

The following Directors who was appointed to the Board during the financial year ended 31 December 2020 and 2021 are also due for retirement and re-election at the forthcoming AGM in accordance with Clause 110 of the Company's Constitution:-

1. Tan Sri Dato' Sri Dr. Ali Bin Hamsa *(appointed w.e.f. 16/11/2020)*
2. Mr Au Yee Boon *(appointed w.e.f. 27/8/2020)*
3. Mr Tan Eik Huang *(appointed w.e.f. 16/10/2020)*
4. Dato' Sri Gan Chow Tee *(appointed w.e.f. 2/3/2021)*

Remuneration Committee

The Remuneration Committee set by the Board comprises one Independent Non-Executive Chairman and two (2) Independent Non-Executive Directors as follows:-

Chairman :	Mr Tan Eik Huang *(appointed w.e.f 16/10/2021)* *(redesignated w.e.f 2/3/2021)*	*Independent Non-Executive Director*
Members :	Tan Sri Dato' Sri Dr. Ali Bin Hamsa *(appointed w.e.f 2/3/2021)*	*Independent Non-Executive Chairman*
	Dato' Sri Gan Chow Tee *(appointed w.e.f 2/3/2021)*	*Independent Non-Executive Director*

The Remuneration Committee is chaired by an Independent Non-Executive Directors. There was one (1) Remuneration Committee Meeting held during the financial year ended 31 December 2020 and the Directors attendance are as follows: -

Name	Attendance
Mr Tan Eik Huang (Chairman)	0 of 0 meeting
Dato' Sri Gan Chow Tee	0 of 0 meeting
Tan Sri Dato' Sri Dr. Ali Bin Hamsa	0 of 0 meeting
Dato' Wong Gian Kui (Chairman) (resigned w.e.f 2/12/2020)	1 of 1 meeting
Mr. Tan Jian Hong, Aaron (resigned w.e.f 2/12/2020)	1 of 1 meeting
Ms Wendy Kang Hui Lin (resigned w.e.f 16/10/2020)	1 of 1 meeting
Ms Anita Chew Cheng Im (resigned w.e.f 26/8/2020)	1 of 1 meeting

The terms of reference of the Remuneration Committee is available on the Company's website at www.ybventuresberhad.com.

CORPORATE GOVERNANCE OVERVIEW
CONT'D

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

II. BOARD COMPOSITION cont'd

Time Commitment

The Board convenes regular meetings on a quarterly basis to deliberate on the Group's overall strategies, operations and financial performance of the Group, with additional meetings to be convened from time to time to resolve any major and ad hoc matters that require immediate attention. Directors are allowed to either participate in person or through other communication channels. In the periods between the Board Meetings, Board approvals were sought via written resolutions and conclusions and relevant supporting documents are attached for sufficient information required for Directors to make an informed decision

The Directors' consent is obtained by Company Secretary to ensure availability for the quarterly meeting and to enable the Directors to plan ahead. The Directors have devoted sufficient time to carry out their responsibilities.

During the financial year 31 December 2020, there were four (4) Board meetings held and the attendance of the individual Directors at the Board meetings are as follows:-

Name of Director	Number of board meetings held during the year	Number of meetings attended during the year
Tan Sri Dato' Sri Dr. Ali Bin Hamsa	1	1/1
Mr Lee Boon Siong	2	2/2
Mr Au Yee Boon	1	1/1
Mr Tan Eik Huang	1	1/1
Dato' Sri Gan Chow Tee	0	0/0
Dato' Wong Gian Kui	4	4/4
Mr Tan Jian Hong,Aaron	4	4/4
Ms Wendy Kang Hui Lin	3	3/3
Ms Anita Chew Cheng Im	3	3/3

All Directors have complied with the minimum attendance at Board meetings as stipulated by the Bursa Malaysia Listing Requirements.

Directors' Training

All Directors appointed to the Board have undergone the Mandatory Accreditation Program ("MAP") prescribed by Bursa Securities. The Directors are encouraged to attend continuous education programmes/seminars/conferences and shall as such receive further training from time to time to keep themselves abreast of the latest development in statutory laws, regulations and best practices, where appropriate, in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group.

The Board has undertaken an assessment of the training needs of each Director and ensured that all the Directors undergo the necessary training programme to enable them to effectively discharge their duties.

CORPORATE GOVERNANCE OVERVIEW
CONT'D

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

Directors' Training cont'd

The following Board members have attended the relevant seminars/conferences/training programmes during the financial year as detailed below:-

Name of Director	Seminars/Conferences/Training Programmes Attended
Lee Boon Siong	Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies Fraud Risk Management Workshop
Tan Eik Huang	Preference Shares – Law & Practice Covid 19 : Impact on MFRS 16 - Leases

Save as disclosed above, Tan Sri Dato' Sri Dr. Ali Bin Hamsa and Au Yee Boon did not attend any training during the financial period due to their busy schedule. They are aware of the duties and responsibilities and will continue to undergo other relevant training programmes to keep abreast with the new regulatory developments and requirements in compliance with the Listing Requirements on continuing education.

III. REMUNERATION

Directors' Remuneration

The Board recognizes the need to structure the remuneration packages for Directors so as to be able to attract, retain and motivate Directors of the right caliber required to manage the Group and to align the interests of the Directors with those of the shareholders. The Remuneration Committee is responsible for recommending to the Board the remuneration framework and remuneration packages of the Executive Directors in all its forms. The Board as a whole, determines the remuneration for Non-Executive Directors with individual directors abstain from decision making process pertaining to their own remuneration.

Details of the Directors' remuneration (including benefits-in-kind) for each Director during the financial year 2020 are as follows:-

Company

	Salaries	Fees	Bonuses	Other Remuneration	Benefits-in-kind	Total
Executive Director						
Mr Au Yee Boon	-	-	-	-	-	-
Mr Lee Boon Siong	-	-	-	-	-	-
Non-Executive Director						
Tan Sri Dato' Sri Dr. Ali Bin Hamsa	-	-	-	-	-	-
Mr Tan Eik Huang	-	-	-	-	-	-
Dato' Wong Gian Kui (resigned w.e.f 2/12/2020)	-	35,000.00	-	-	-	35,000.00
Mr Tan Jian Hong, Aaron (resigned w.e.f 2/12/2020)	-	-	-	-	-	-
Ms Wendy Kang Hui Lin (resigned w.e.f 16/10/2020)	-	-	-	-	-	-
Ms Anita Chew Cheng Im (resigned w.e.f 16/10/2020)	-	46,666.67	-	-	-	46,666.67
Total	**-**	**81,666.67**	**-**	**-**	**-**	**81,666.67**

CORPORATE GOVERNANCE OVERVIEW
CONT'D

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS cont'd

III. REMUNERATION cont'd

Directors' Remuneration cont'd

Group

	Salaries	Fees	Bonuses	Other Remuneration	Benefits-in-kind	Total
Executive Director						
Mr Au Yee Boon	-	-	-	-	-	-
Mr Lee Boon Siong	-	-	-	-	-	-
Non-Executive Director						
Tan Sri Dato' Sri Dr. Ali Bin Hamsa	-	-	-	-	-	-
Mr Tan Eik Huang	-	-	-	-	-	-
Dato' Wong Gian Kui (resigned w.e.f 2/12/2020)	-	35,000.00	-	-	-	35,000.00
Mr Tan Jian Hong, Aaron (resigned w.e.f 2/12/2020)	244,655.67	37,904.28	-	-	-	282,559.95
Ms Wendy Kang Hui Lin (resigned w.e.f 16/10/2020)	-	37,904.28	-	-	-	37,904.28
Ms Anita Chew Cheng Im (resigned w.e.f 26/08/2020)	-	46,666.67	-	-	-	46,666.67
Total	**244,655.67**	**157,475.23**	**-**	**-**	**-**	**402,130.90**

The Remuneration Committee has proposed that there is no change to the 2020 Directors' remuneration structure and fees from year 2019. These fees will be tabled for approval at the Company's forthcoming Annual General Meeting.

The remuneration package for Senior Management is studied and reviewed by the Executive Director and Human Resource Department at the Company level. The final remuneration package for Senior Management is decided and approved by the Executive Director. The Board is satisfied with the current structure and manner in arriving at the proposed remuneration package for all Directors and the Management.

The Board is committed to the required MCCG practice by disclosing the Board's remuneration in detail as above but due to the sensitivity and confidentiality of the information, the remuneration of top five senior management is not disclosed in this Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

Composition of Audit Committee

The Audit Committee is chaired by an Independent Non-Executive Directors and comprised of the following three (3) members: -

Chairman :	Mr Tan Eik Huang *(appointed* w.e.f *16/10/2020)*	*Independent Non-Executive Director*
Members :	Tan Sri Dato' Sri Dr. Ali Bin Hamsa *(appointed* w.e.f *16/11/2020)*	*Independent Non-Executive Chairman*
	Dato' Sri Gan Chow Tee *(appointed* w.e.f *2/3/2021)*	*Independent Non-Executive Director*

CORPORATE GOVERNANCE OVERVIEW
CONT'D

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT cont'd

I. AUDIT COMMITTEE cont'd

None of the Audit Committee members are former key audit partner of the External Auditors. Nevertheless, a cooling-off period of at least two (2) years shall be observed by the Board before such person is being appointed as a member of the Audit Committee.

The members of the Audit Committee are financially literate with a member of the Audit Committee being a member of the Malaysia Institute of Accountants. The Audit Committee members collectively possesses a mix of skills, knowledge and experience to discharge their duties and responsibilities to oversee the financial reporting process, internal controls, risk management and governance effectively and independently.

The terms of reference of the Audit Committee is available on the Company's website at www.ybventuresberhad.com.

Compliance with Applicable Financial Reporting Standards

The Board is assisted by the Audit Committee in overseeing the financial reporting processes and ensuring the quality of its financial reporting. The Board strives to provide shareholders with a balanced and meaningful evaluation of the Group's financial performance, financial position and prospects through the annual audited financial statements, interim financial reports, annual report and announcements to Bursa Malaysia.

The interim financial reports, annual audited financial statements and annual report of the Group for the financial year ended 31 December 2020 are prepared in accordance with the Malaysian Financial Reporting Standards, Listing Requirements of Bursa Malaysia and the Companies Act 2016.

External Auditors

The Audit Committee maintains a transparent relationship with the External Auditors. The External Auditors attends the Audit Committee meeting at least twice a year to discuss their audit plan, nature of scope of audit, audit findings and evaluation of the system of internal controls and audit report.

The Board recognizes that the independent opinion of the Group's External Auditors is an essential reassurance to the shareholders that the Group's financial statements present a true and fair view of its financial position, financial performance and cash flows status.

The Board strives to establish a transparent and professional relationship with the External Auditors with the assistance of the Audit Committee. Participation of the Executive Directors and/or Senior Management in the Audit Committee meetings is strictly by invitation only, so that the External Auditors can highlight any issues/concerns on the Group's operations and management practices.

The Audit Committee is responsible to review and monitor the suitability and independence of the External Auditors and make recommendation for the audit fees. The Audit Committee has obtained confirmation from the External Auditors that they are and have been independent throughout the conduct of the audit process in accordance with the terms of all relevant professional and regulatory requirements.

The Audit Committee would review the performance and suitability including independence of the External Auditors by performing an annual assessment based on the caliber of the firm, quality processes, audit team, independence and objectivity, audit scope and planning, audit fees and audit communications. The Audit Committee would obtain the feedback from the Management as part of the assessment process.

Upon the completion of the assessment and if found suitable by the Audit Committee, the External Auditors would then be recommended to the Board for their re-appointment, and thereafter for tabling to the shareholders of the Company for approval at the Annual General Meeting.

CORPORATE GOVERNANCE OVERVIEW
CONT'D

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT cont'd

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management and Internal Control Framework

The Board acknowledges that a sound risk management and internal control system is necessary to be established in order to support the Group's objectives and to safeguard the shareholders' investment and the Group's assets.

The Board affirms its overall responsibility in ensuring the adequacy, effectiveness and integrity of the Group's risk management and internal control systems. The effectiveness of the system of risk management and internal control may vary over time due to the changing circumstances and conditions of the Company and the Group.

The Board has given the authority to Audit Committee in the risk governance and oversight function. The Risk Management Committee has been established to ensure the implementation of appropriate systems to manage the overall risk exposures of the Group and reports directly to Audit Committee.

The Statement of Risk Management and Internal Control is set out in this Annual Report provides an overview of the state of risk management and internal control within the Group.

Risk Management Committee

The Audit Committee established Risk Management Committee to support the Audit Committee in the management and maintenance of the risk management framework and the sustainability framework.

The Risk Management Committee comprises of the Independent Non-Executive Director(s) and the heads of all departments, namely finance, human resource, production, marketing, information technology and research and development were invited to the meeting, where necessary, to respond to the committee pertaining to the risk matters of the Group.

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

I. COMMUNICATION WITH STAKEHOLDERS

Communication with Stakeholders

The Board recognizes the importance of maintaining active communication with its shareholders and other stakeholders, and timely dissemination of information concerning the Group's business performance.

The key mean for communications with shareholders is the Annual General Meeting ("AGM") where sufficient time will be allocated to obtain feedback from the shareholders or for shareholders to raise questions or concerns. Members of the Board, the Management and the auditors of the Company are present at the AGM to respond to any queries from the shareholders.

Besides that, to ensure effective dissemination of information to the shareholders and stakeholders, the Group makes necessary announcements on the Group's affairs and development in accordance with the Listing Requirements of the Bursa Malaysia through the website of the Bursa Malaysia.

Uphold Integrity Financial Reporting

The Board understands that integrated report improves the quality of information available to investors and promotes greater transparency and accountability on the part of the Group. The Board aims to provide an understandable true and fair assessment of the Group's financial performance and a balanced assessment of the Group's prospects principally through the quarterly financial reports to the Bursa Malaysia and the Annual Report to shareholders.

The Audit Committee reviews and monitors the suitability and independence of external auditors. The independence of external auditors can be impaired by the provision of non-audit services to the Group. Therefore, the Audit Committee has established policies governing the circumstances under which contracts for the provision of non-audit services can be entered into and procedures that must be followed by the external auditors.

CORPORATE GOVERNANCE OVERVIEW
CONT'D

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

I. COMMUNICATION WITH STAKEHOLDERS cont'd

Uphold Integrity Financial Reporting cont'd

The Audit Committee has obtained assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Directors' Responsibility Statement in respect of the Audited Financial Statements

The Companies Act 2016 requires the Directors to prepare the financial statements which give a true and fair view of the state of affairs of the Group and the Company as at the end of the accounting period and of the results of the operations and cash flows for the period then ended. In preparing the financial statements, the Directors have ensured that the Group has selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates. Applicable approved accounting standards have been followed, subject to any material departures, disclosed and explained in the financial statements.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors also have a general responsibility for taking reasonable steps to safeguard the assets of the Group and for the prevention and detection of fraud and other irregularities.

Ensure Timely and High-Quality Disclosure

The Board has ensured that the Group complied with all relevant disclosure requirements required by Bursa Malaysia Listing Requirements. The announcements, financial results, Board Charter, Code of Conduct and Whistle-blowing policy are made available on the Company's website at www.ybventuresberhad.com.

II. CONDUCT OF GENERAL MEETINGS

Notice of Annual General Meetings

The Board always encourage the shareholders to attend the Company's general meetings particularly the Annual General Meetings, as it forms an important platform where the shareholders can engage directly with the Board and the Management and to raise any questions on the resolutions being proposed and any concerns that they may have on the Group. The Board, Senior Management and the Company's External Auditors would participate at the Annual General Meeting to respond to questions addressed to them.

Notice of Annual General Meeting together with the Annual Report are circulated to the shareholders at least twenty eight (28) days prior to the meeting to ensure sufficient notice period is given to the shareholders for them to schedule their time to attend the Company's Annual General Meeting. Shareholders who are unable to participate personally are allowed to appoint proxy/proxies to participate, speak and vote on their behalf.

A summary of key matter discussed at the Annual General Meeting, if any, will be published on the Company's corporate website for shareholders information.

Poll Voting

The Board is mindful of the poll voting requirements under Paragraph 8.29A of the Listing Requirements of Bursa Malaysia Securities Berhad. All resolutions passed by the shareholders at the previous Annual general Meeting held on 25 August 2020 were voted by way of poll. An independent scrutineer was appointed to validate the votes cast at that Annual General Meeting.

The outcome of all resolutions tabled at the general meetings shall be announced to Bursa Malaysia on the same day after the meeting.

This Corporate Governance Overview Statement were approved by the Board of Directors on 16 March 2021.

AUDIT COMMITTEE REPORT

A. ESTABLISHMENT AND COMPOSITION

The membership of the Audit Committee at the date of the report is as follows:-

Chairman :	Mr Tan Eik Huang *(appointed w.e.f 16/10/2020)*	*Independent Non-Executive Director*
Members :	Tan Sri Dato' Sri Dr. Ali Bin Hamsa *(appointed w.e.f 16/11/2020)*	*Independent Non-Executive Chairman*
	Dato' Sri Gan Chow Tee *(appointed w.e.f 2/3/2021)*	*Independent Non-Executive Director*

B. MEETINGS

During the financial year, the Audit Committee held five (4) meetings. Details of each member's meeting attendances are as follows:-

Name	Attendance
Mr Tan Eik Huang	1 of 1 meetings
Tan Sri Dato' Sri Dr. Ali Bin Hamsa	1 of 1 meetings
Dato' Sri Gan Chow Tee	0 of 0 meetings
Ms Anita Chew Cheng Im (resigned *w.e.f* 26/8/2020)	3 of 3 meetings
Ms Wendy Kang Hui Lin (resigned *w.e.f* 16/10/2020)	3 of 3 meetings
Dato' Wong Gian Kui (resigned *w.e.f* 2/12/2020)	4 of 4 meetings

The meetings were appropriately structured through the use of agendas, which were distributed to the members with sufficient notification.

The Executive Directors, other senior management and representatives of the external auditors, Messrs GT, were present by invitation at the meetings.

C. TERMS OF REFERENCE

The terms of reference of the Committee is available on the Company's website at www.ybventuresberhad.com.

D. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The Committee carried out its duties in accordance with its terms of reference during the year.

The main activities undertaken by the Audit Committee during the financial year included the following:-

1) Reviewed and recommended for Board approval the quarterly unaudited financial statements for announcement to the Bursa Securities;

2) In respect of the quarterly condensed financial statements, reviewed the Company's compliance with the Listing Requirements of the Bursa Securities, Malaysian Accounting Standards Board ("MASB") and other legal and regulatory requirements;

3) Reviewed the audit report and observations made by the external auditors on the audited financial statements that require appropriate management action and the management's response thereon and reported the same to the Board;

4) Considered and recommended to the Board for approval of the audit fees payable to the external auditors as disclosed in Note 21 to the Financial Statements – (Loss)/Profit for The Year.

5) Reviewed the external auditors' scope of work and audit plan for the financial year 2020;

AUDIT COMMITTEE REPORT
CONT'D

D. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR cont'd

6) Reviewed the independence and objectivity of the external auditors and the services provided, including non-audit services. During the financial year ended 31 December 2020, the non-audit fees paid to the external auditors of the Group and of the Company amounted to RM25,000 and RM25,000 respectively;

7) Reviewed the quarterly updates on the related party transactions entered into by the Group and ensured all transactions are at arm's length;

8) Reviewed the annual report (which included the Corporate Governance Overview Statement, Corporate Governance Report, Audit Committee Report, Statement on Risk Management and Internal Control and Sustainability Statement) and audited financial statements of the Group and recommended to the Board for approval;

9) Reviewed the internal audit reports, which highlighted audit issues, recommendations and management response and action plans. Discussed with management actions taken to improve the system of internal controls based on the improvement opportunities identified in the internal audit reports.

10) Reviewed the internal audit plan for the year under review; and

11) Held one meeting with the external auditors without the presence of any management or Executive Directors to discuss any significant matters which the external auditors may wish to raise.

E. INTERNAL AUDIT FUNCTION

The internal audit function of the Group is outsourced to a professional services firm who reports directly to the Audit Committee. The person responsible for the outsourced internal audit function is Mr. Chang Ming Chew, a director with the professional services firm and is a Certified Internal Auditor holding a Certification in Risk Management Assurance from the Institute of Internal Auditors; professional member of the Institute of Internal Auditors Malaysia; member of the Association of Chartered Certified Accountants (UK); and member with the Malaysian Institute of Accountants.

The principal role of the internal auditors is to undertake independent, regular and systematic reviews of the risk management, internal controls and corporate governance system so as to provide reasonable assurance that such systems are operating and continue to operate satisfactorily and effectively.

The internal audit function provides the Audit Committee with independent and objective reports on the state of risk management control systems and governance of the Group and the extent of compliance with the Group's policies and procedures as well as relevant statutory requirements and regulations.

The internal auditors submit reports on their activities, findings, recommendations for improvement opportunities, management responses and action plans at the Audit Committee meetings.

Summary of internal audit activities conducted during the year include review of internal control related to the followings:

- Safety and Health Management
- Quality Control and Quality Assurance System
- Follow-up Review on Previous Internal Audit Findings
- Machine Maintenance and Spare Parts Management

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2020 amounted to RM40,000.00. Further details of the activities of the internal audit function are set out in the Statement on Risk Management and Internal Control.

OTHER INFORMATION

1. **Material Contracts**

There were no material contracts involving the Company and its subsidiaries with Directors and substantial shareholders during the financial year.

2. **Sanctions and/or Penalties**

There was no sanction and/or penalty imposed on the Group, Directors or management by the relevant regulatory bodies during the financial year.

3. **Share Buy-back**

During the financial year ended 31 December 2020 and up to 12 May 2021, the Company had purchased its own shares as follows:-

Month	No of shares purchased	Purchase price per unit Lowest RM	Purchase price per unit Highest RM	Average cost per share RM	Total cost RM'000
Balance b/f	172,800				101
Jan 2020	31,600	0.55	0.56	0.56	18
Feb 2020	56,700	0.54	0.55	0.55	31
Mar 2020	223,800	0.45	0.52	0.48	107
Apr 2020 to May 2021	-	-	-	-	-
Balance c/f	484,900			0.53	257

The shares repurchased during the financial year are retained as treasury shares. There was no resale of treasury shares or cancellation of shares during the financial year ended 31 December 2020 and up to 12 May 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is committed to maintaining a sound system of internal control and risk management in the Group and is pleased to provide the following statement which outlines the main features and scope of the risk management and internal control system of the Group during the year.

BOARD OF DIRECTORS' RESPONSIBILITIES

The Board is responsible for the Group's system of internal control and risk management, including the establishment of an appropriate control environment and framework as well as reviewing its adequacy and effectiveness. Because of the inherent limitations in any system of internal controls, such a system is designed to manage rather than eliminate the risk of failure to achieve business and corporate objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. The system of internal controls covers, interalia, risk management and financial, organisational, operational and compliance controls.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies. This process has been in place for the year under review and up to the date of approval of this statement for inclusion in the annual report. The review on the adequacy and effectiveness of the risk management and internal control system has been undertaken by the Board.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Board has put in place a Risk Management Policy manual which outlines the risk management framework for the Group, which among others, includes an on-going process of identifying, prioritising and formulating action plans to mitigate significant risks. These identified risk aspects are incorporated into the risk register and individually rated as Significant, High, Moderate or Low risk. The rating process is guided by a matrix of "Control Effectiveness", "Residual Likelihood" and "Residual Consequence", of which both financial and non-financial impacts are duly considered.

The responsibilities for risk management has been cascaded to all heads of department, who report to an operation level Risk Management Committee ("RMC"). The RMC is tasked to ensure the implementation of appropriate systems to manage the overall risk exposures of the Group, including ensuring that the Group's risk policies and procedures are adhered to, maintaining the risk register, and developing relevant strategies and plans to mitigate the negative impact or reduce the likelihood of occurrence of significant risks towards achieving a residual risk that is within the acceptable tolerance limit.

The RMC will subsequently apprise the Audit Committee on the matters and issues identified will be deliberated in the quarterly meetings.

INTERNAL AUDIT

The internal audit function of the Group is outsourced to a professional services firm who reports directly to the Audit Committee. The internal audit firm carries out its function independently with risk-based approach and reports to the Audit Committee and the Board on the adequacy and effectiveness of the system of internal controls in areas reviewed during the financial year.

The Audit Committee approves the annual internal audit plan; reviews the findings and recommendations of the internal auditors; evaluates the management responses and action plans to improve any control weaknesses raised before reporting and making recommendations to the Board. The Audit Committee presents its findings to the Board at the scheduled quarterly meetings or earlier as appropriate.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CONT'D

OTHER KEY COMPONENTS OF INTERNAL CONTROL SYSTEM

Apart from risk management and the internal audit, the other key components of the Group's internal control system are:-

(1) Organisational Structure
The Board has put in place an organisational structure with formally defined lines of responsibility and delegation of authority.

(2) Reporting and Review
Quarterly management accounts and reports are submitted to the Board members which include among others financial and non-financial key performance indicators, the monitoring of results, with major variances being explained and management action taken, where necessary.

(3) Operational Policies and Procedures
Documented operating procedures and policies manuals form an integral part of the internal control system to safeguard the Group's assets and ensure accurate, timely and complete information for decision making.

REVIEW OF STATEMENT BY EXTERNAL AUDITOR

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 December 2020, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

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

(b) is factually inaccurate.

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

CONCLUSION

The Board has reviewed the adequacy and effectiveness of the risk management and internal control system through the above processes and is not aware of any significant weaknesses or deficiencies in the Group's risk management and internal control system for the year under review and up to the date of this report. The Board has also received assurance from the Executive Director and Financial Controller that the Group's risk management and internal control system is operating adequately and effectively, in all material respects.

The Statement of Risk Management and Internal Control was approved by the Board of Directors on 16 March 2021.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are disclosed in Note 7 to the Financial Statements. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	10,146,236	(138,740)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIVIDENDS

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

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Au Yee Boon (Appointed on 27 August 2020)*
Lee Boon Siong (Appointed on 2 June 2020)*
Tan Eik Huang (Appointed on 16 October 2020)
Tan Sri Dato' Sri Dr. Ali Bin Hamsa (Appointed 16 November 2020)
Dato' Sri Gan Chow Tee (Appointed on 2 March 2021)
Anita Chew Cheng Im (Resigned on 26 August 2020)
Wendy Kang Hui Lin (Resigned on 16 October 2020)*
Dato' Wong Gian Kui (Resigned on 2 December 2020)
Tan Jian Hong, Aaron (Resigned on 2 December 2020)*

*Directors of the Company and its subsidiaries

The Directors of subsidiaries who held office since the beginning of the current financial year and up to the date of this report are as follows:

Goh Chee Kien (Appointed on 14 December 2020)
Hoo Ai Wei (Resigned on 27 August 2020)
Liew York Tho (Resigned on 27 August 2020)

DIRECTORS' REPORT
CONT'D

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

		Number of ordinary shares			
Name of Directors	**Interest**	**At 1 January 2020**	**Bought**	**Sold**	**At 31 December 2020**
Company					
Au Yee Boon	Deemed#	-	14,515,300	-	14,515,300
Au Yee Boon	Direct	-	7,857,500	-	7,857,500
Lee Boon Siong	Direct	-	497,800	-	497,800
Tan Eik Huang	Direct	-	840,000	-	840,000

By virtue of his interest in Techbase Solution Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and deemed interested through the shareholdings of his spouse in the Company.

None of the other Directors holding office at 31 December 2020 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Group and of the Company have received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Group and by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than those disclosed in Notes to the Financial Statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Group and of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Group and of the Company or any other body corporate.

ISSUE OF SHARES

During the financial year, the Company repurchased 312,100 of its issued share capital from the open market at an average price of RM0.50 per share including transaction costs and the repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares.

There were no other changes in the issued and paid-up capital of the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS' REPORT
CONT'D

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of premium paid for insurance effected for Directors and officers of the Group and the Company is RM8,000 for a total sum insured of RM5,000,000.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) no bad debts to be written off and adequate provision for doubtful debts had been made; and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

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

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

iii) which have arisen which 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 that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2020 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report other than those disclosed in the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

The significant events during the financial year and subsequent to the reporting period are disclosed in Note 29 to the Financial Statements.

DIRECTORS' REPORT
CONT'D

AUDITORS

The total amount of fees paid to or receivable by the Auditors, Grant Thornton Malaysia PLT, as remuneration for their services as Auditors of the Company and of its subsidiaries for the financial year ended 31 December 2020 amounted to RM27,000 and RM62,000.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT, as permitted under Section 289 of the Companies Act, 2016. No payment has been made to indemnify Grant Thornton Malaysia PLT for the financial year ended 31 December 2020.

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

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

....
AU YEE BOON

DIRECTORS

....
LEE BOON SIONG

Kuala Lumpur
16 March 2021

STATEMENTS BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 52 to 115 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 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

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

....	....
AU YEE BOON	LEE BOON SIONG

Kuala Lumpur
16 March 2021

STATUTORY DECLARATION

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

I, Chong Mey Kim, being the Officer primarily responsible for the financial management of YB Ventures Berhad (formerly known as Yi-Lai Berhad), do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 52 to 115 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory this day of)
16 March 2021)

....
CHONG MEY KIM
(MIA No: 29171)

Before me:

Commissioner for Oaths
RAMATHILAGAM A/P T RAMASAMY
01-01-2019-31-12-2021

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YB VENTURES BERHAD (FORMERLY KNOWN AS YI-LAI BERHAD)
(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of YB Ventures Berhad (formerly known as Yi-Lai Berhad), which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 52 to 115.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and of their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") 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 ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key audit matters

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

Valuation of inventories

The finished goods of the Group, mainly ceramic and homogenous tiles, comprise a wide range of designs and certain of these finished goods are either with quality issues, slow moving, or outdated in designs. The ability of the Group to sell these tiles is affected by factors such as slowdown in the property development segment in Malaysia and Singapore.

The valuation of finished goods is a key audit matter because it involved more senior personnel to apply judgement in determining the amount of write down required in order to ensure that these tiles are stated at the appropriate net realisable value performed by the Group. Changes in judgements could result in material adjustments to the estimated net realisable amount, hence, affected the carrying amount of inventories.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We obtained an understanding of the Group's policy and management's process in estimating the net realisable value of these finished goods, in writing down the finished goods, and evaluated the reasonableness. We recalculated the amount of write down and reversal of slow-moving finished goods and determined that it was in accordance with the Group's policy.
- We tested the accuracy of the ageing of finished goods by testing the age profile of finished goods balances to the respective production certificates/lot number in order to place reliance on the Group's finished goods ageing report as a basis for write down and reversal of slow-moving finished goods.
- We have selected sample items of finished goods and tested these against actual sales made subsequent to year end and determined that these samples have been stated at the lower of cost and net realisable value.

INDEPENDENT AUDITORS' REPORT CONT'D

TO THE MEMBERS OF YB VENTURES BERHAD (FORMERLY KNOWN AS YI-LAI BERHAD)
(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements (cont'd)

Key audit matters cont'd)

Recoverability of receivables

Due to the inherent subjectivity that is involved in making judgements in relation to credit risk exposures to determine the expected credit losses and recoverability of trade receivables, recoverability of trade receivables is considered to be significant audit risk.

The Group applies a simplified approach in calculating provision for expected credit losses ("ECLs"). Therefore, the Group does not track changes in credit risk, but instead recognises a loss provision based on lifetime ECLs at each reporting date. The Group considers amongst others, its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Evaluating and testing the controls relating to credit control and approval process;
- Considered and evaluated the underlying assumptions used by management to derive at the loss rate based on an ECLs model;
- Assessing the recoverability of overdue receivables to historical patterns of receipts, in conjunction with reviewing receipts subsequent to the financial year end for its effect in reducing overdue receivables at the financial year end;
- Holding discussions with management personnel to evaluate the management's view on justification on the sufficiency of provision of ECLs; and
- Assessing the adequacy of the disclosures in respect of credit risk.

Revenue recognition

Revenue recognition to be an area of audit focus as the magnitude and high volume of transaction may give rise to material misstatements in the timing and recognition of revenue. Specifically, we focused our audit efforts to address the possibility of overstatement of revenue.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Obtained an understanding of the Group's relevant policies and procedures over the timing and amount of revenue recognised;
- Inspected the documents evidencing the delivery of goods to customers to determine the point of which control was transfer for goods sold and services rendered;
- Evaluating and testing the controls relating to revenue recognition;
- Performing substantive tests to verify the revenue recognised;
- Performing analytical procedures on the trend of revenue recognised to identify any abnormalities; and
- Performing cut-off test around the financial year end to check the revenue is recognised in the correct accounting period.

There are no key audit matters to be communicated in respect of the audit of the financial statements of the Company.

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 Directors' 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 do not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT CONT'D

TO THE MEMBERS OF YB VENTURES BERHAD (FORMERLY KNOWN AS YI-LAI BERHAD)
(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements (cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon (cont'd)

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 on the other information obtained prior to the date of this auditors' report, 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 Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs 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 misstatements, 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 and 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 misstatements, 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Conclude on the appropriateness of 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.

INDEPENDENT AUDITORS' REPORT CONT'D
TO THE MEMBERS OF YB VENTURES BERHAD (FORMERLY KNOWN AS YI-LAI BERHAD)
(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements (cont'd)

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provided the Directors with a statements 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 safeguard 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 year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary of which we have not act as auditors, are disclosed in Note 7 to the Financial Statements.

Other Matters

1. The 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.

2. The financial statements of the Group and of the Company as at 31 December 2019 were audited by another firm of Chartered Accountants whose auditors' report dated 1 June 2020 expressed an unqualified opinion on those financial statements.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

OOI POH LIM
(NO: 03087/10/2021 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
16 March 2021

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	Group 31.12.2020 RM	Group Restated 31.12.2019 RM	Group Restated 1.1.2019 RM	Company 31.12.2020 RM	Company Restated 31.12.2019 RM	Company Restated 1.1.2019 RM
ASSETS							
Non-current assets							
Property, plant and equipment	4	140,836,737	49,302,870	53,449,949	-	-	-
Right-of-use assets	5	3,496,403	6,382,116	6,007,882	-	-	-
Intangible asset	6	1,794,780	-	-	-	-	-
Investment in subsidiaries	7	-	-	-	80,371,209	80,371,207	80,371,207
Investment in an associate	8	9,502,184	-	-	-	-	-
Deferred tax assets	9	672,072	642,179	258,000	-	-	-
Total non-current assets		156,302,176	56,327,165	59,715,831	80,371,209	80,371,207	80,371,207
Current assets							
Inventories	10	43,854,477	47,011,679	56,318,592	-	-	-
Trade and other receivables	11	49,686,340	29,397,078	28,939,883	202,000	2,000	2,000
Contract assets	12	3,903,257	5,783,466	5,449,480	-	-	-
Amount due from subsidiaries	13	-	-	-	19,551,250	-	1,500,000
Current tax assets		227,515	975,976	2,023,363	4,153	2,953	61,328
Other investments	14	13,900,911	25,051,062	24,571,506	7,407,086	20,835,440	19,023,863
Cash and cash equivalents	15	54,971,479	52,961,695	45,228,088	527,345	499,434	407,149
Total current assets		166,543,979	161,180,956	162,530,912	27,691,834	21,339,827	20,994,340
TOTAL ASSETS		322,846,155	217,508,121	222,246,743	108,063,043	101,711,034	101,365,547
EQUITY AND LIABILITIES							
EQUITY							
Equity attributable to owners of the Company:-							
Share capital	16	93,692,416	93,692,416	100,907,120	93,692,416	93,692,416	100,907,120
Tresury shares	17	(256,687)	(101,344)	(11,389,805)	(256,687)	(101,344)	(11,389,805)
Reserves	17	80,405,202	3,614,851	3,571,144	-	-	-
Retained earnings	17	109,147,026	99,000,790	108,978,904	7,775,086	7,913,826	11,551,529
Total equity		282,987,957	196,206,713	202,067,363	101,210,815	101,504,898	101,068,844

STATEMENTS OF FINANCIAL POSITION (Cont'd)
AS AT 31 DECEMBER 2020

	Note	Group 31.12.2020 RM	Group Restated 31.12.2019 RM	Group Restated 1.1.2019 RM	Company 31.12.2020 RM	Company Restated 31.12.2019 RM	Company Restated 1.1.2019 RM
LIABILITIES							
Non-current liabilities							
Lease liabilities	18	1,749,338	493,125	222,117	-	-	-
Deferred tax liabilities	9	16,591,663	185,848	923,298	-	-	-
Total non-current liabilities		18,341,001	678,973	1,145,415	-	-	-
Current liabilities							
Trade and other payables	19	20,948,336	20,124,988	18,905,599	72,378	206,136	296,703
Lease liabilities	18	511,514	311,335	57,407	-	-	-
Amount due to a subsidiary	13	-	-	-	6,779,850	-	-
Current tax liabilities		57,347	186,112	70,959	-	-	-
Total current liabilities		21,517,197	20,622,435	19,033,965	6,852,228	206,136	296,703
TOTAL LIABILITIES		39,858,198	21,301,408	20,179,380	6,852,228	206,136	296,703
TOTAL EQUITY AND LIABILITIES		322,846,155	217,508,121	222,246,743	108,063,043	101,711,034	101,365,547

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 31 DECEMBER 2020

		Group		Company	
			Restated		Restated
	Note	31.12.2020 RM	31.12.2019 RM	31.12.2020 RM	31.12.2019 RM
Revenue	20	91,384,478	118,134,245	496,722	1,119,605
Cost of sales		(83,800,750)	(113,581,691)	-	-
Gross profit		7,583,728	4,552,554	496,722	1,119,605
Other income		13,567,763	372,069	-	-
Distribution expenses		(6,724,775)	(6,758,426)	-	-
Administrative expenses		(4,963,293)	(4,744,441)	(647,344)	(512,234)
Amortisation of intangible asset		(30,420)	-	-	-
Reversal/(Allowance for) impairment loss on receivables		52,762	(195,548)	-	-
Other expenses		(889,250)	(346,035)	(24,218)	(71,903)
Profit/(Loss) from operation		8,596,515	(7,119,827)	(174,840)	535,468
Finance income		439,996	861,960	55,950	4,410
Finance costs		(39,249)	(40,227)	(19,850)	-
Share of profit of an associate		2,184	-	-	-
Profit/(Loss) before tax	21	8,999,446	(6,298,094)	(138,740)	539,878
Tax income/(Tax expense)	22	1,146,790	495,081	-	(2,480)
Profit/(Loss) for the financial year		10,146,236	(5,803,013)	(138,740)	537,398
Other comprehensive income:-					
Items that will not be reclassified subsequently to profit or loss					
- Revaluation of property, plant and equipment		94,245,116	-	-	-
- Tax effect on items that will not be reclassified to profit or loss		(17,492,575)	-	-	-
Other comprehensive income, net of tax		76,752,541	-	-	-
Total comprehensive income/(loss) for the financial year		86,898,777	(5,803,013)	(138,740)	537,398
Basic earning/(loss) per ordinary share (sen)	23	6.99	(3.99)		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Attributable to owners of the Company					
		Non-distributable				Distributable	
	Note	Share capital RM	Translation reserve RM	Tresury shares RM	Revaluation reserve RM	Retained earnings RM	Total equity RM
Group							
At 1 January 2019		100,907,120	3,571,144	(11,389,805)	-	108,978,904	202,067,363
Total comprehensive loss for the financial year		-	-	-	-	(5,799,184)	(5,799,184)
Foreign currency translation differences for foreign operations		-	43,707	-	-	-	43,707
Contributions by and distributions to owners of the Company							
- Own shares acquired	17	-	-	(101,344)	-	-	(101,344)
- Cancellation of treasury shares	17	(7,214,704)	-	11,389,805	-	(4,175,101)	-
Balance at 31 December 2019, as previously stated		93,692,416	3,614,851	(101,344)	-	99,004,619	196,210,542
Effect on MFRSs adjustments, net of tax		-	-	-	-	(3,829)	(3,829)
At 1 January 2020, restated		93,692,416	3,614,851	(101,344)	-	99,000,790	196,206,713
Total comprehensive income for the financial year		-	-	-	76,752,541	10,146,236	86,898,777
Foreign currency translation differences for foreign oeprations		-	37,810	-	-	-	37,810
Contributions by and distributions to owners of the Company							
- Own shares acquired	17	-	-	(155,343)	-	-	(155,343)
At 31 December 2020		93,692,416	3,652,661	(256,687)	76,752,541	109,147,026	282,987,957

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Attributable to owners of the Company			
		Non-distributable		Distributable	
	Note	Share capital RM	Treasury shares RM	Retained earnings RM	Total equity RM
Company					
At 1 January 2019		100,907,120	(11,389,805)	11,551,529	101,068,844
Total comprehensive income for the financial year		-	-	537,398	537,398
Contributions by and distributions to owners of the Company					
- Own shares acquired	17	-	(101,344)	-	(101,344)
- Cancellation of treasury shares	17	(7,214,704)	11,389,805	(4,175,101)	-
Total transactions with owners of the Company		(7,214,704)	11,288,461	(4,175,101)	(101,344)
At 31 December 2019		93,692,416	(101,344)	7,913,826	101,504,898
Total comprehensive loss for the financial year		-	-	(138,740)	(138,740)
Contributions by and distributions to owners of the Company					
- Own shares acquired	17	-	(155,343)	-	(155,343)
At 31 December 2020		93,692,416	(256,687)	7,775,086	101,210,815

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 RM	Group Restated 2019 RM	Company 2020 RM	Company Restated 2019 RM
OPERATING ACTIVITIES					
Profit/(Loss) before tax		8,999,446	(6,298,094)	(138,740)	539,878
Adjustments for:-					
Depreciation of					
- Property, plant and equipment		4,607,653	5,450,828	-	-
- Right-of-use assets		501,241	300,291	-	-
Dividend income from					
- Other investments		(606,720)	(760,182)	(496,722)	(619,605)
- A subsidiary		-	-	-	(500,000)
Property, plant and equipment					
- Gain on disposal		(1,986,876)	(36,295)	-	-
- Written off		195,381	54,780	-	-
Right of use assets					
- Written off		82,934	-	-	-
- Gain on disposal		(8,010,053)	-	-	-
Amortisation of intangible assets		30,420	-	-	-
(Gain)/Loss on disposal of other investments		(90)	-	16,911	-
Change in fair value of other investments		7,850	44,111	7,305	71,903
Finance income		(439,996)	(861,960)	(55,950)	(4,410)
Finance costs		39,249	40,227	19,850	-
(Reversal of inventories written down)/ Inventories written down		(5,532,351)	183,034	-	-
(Reversal of allowance for)/Allowance for slow moving inventories		(677,914)	6,192	-	-
Inventories written off		383,245	-	-	-
Share of profit of an associate company		(2,184)	-	-	-
Trade receivables:					
- Impairment loss		-	195,548	-	-
- Amount written off		-	50,421	-	-
- Reversal of impairment loss		(52,762)	-	-	-
Operating loss before working capital changes		(2,461,527)	(1,631,099)	(647,346)	(512,234)
Changes in working capital:-					
Inventories		8,984,222	9,117,687	-	-
Contract assets		1,880,209	(333,986)	-	-
Receivables		(5,653,910)	(669,139)	(200,000)	-
Payables		823,348	1,219,389	(133,758)	(90,567)
Cash generated from operations		3,572,342	7,702,852	(981,104)	(602,801)
Tax refund		874,257	741,427	-	-
Tax paid		(224,424)	(205,435)	(1,200)	55,895
Net cash from/(used in) operating activities		4,222,175	8,238,844	(982,304)	(546,906)

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Group		Company	
			Restated		Restated
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
INVESTING ACTIVITIES					
Acquisition of property, plant and equipment		(2,615,550)	(1,359,362)	-	-
Acquisition of right-of-use assets	A	(640,738)	-	-	-
Acquisition of intangible assets		(1,825,200)	-	-	-
Acquisition of an associate		(9,500,000)	-	-	-
Investment in a subsidiary		-	-	(2)	-
Dividends received from:					
- Other investments		606,720	760,182	496,722	619,605
- Subsidiaries		-	-	-	2,000,000
Interest received		407,406	827,935	55,950	4,410
Uplifted of fixed deposit with licensed bank		18,214,599	15,221,462	-	-
Proceeds from disposal of property, plant and equipment	B	684,394	36,300	-	-
Net proceeds from/(acquisition of) other investments		11,142,391	(523,667)	13,404,138	(1,883,480)
Net cash from investing activities		16,474,022	14,962,850	13,956,808	740,535
FINANCING ACTIVITIES					
Repurchase of treasury shares		(155,343)	(101,344)	(155,343)	(101,344)
Interest paid		(39,249)	(40,227)	(19,850)	-
Advances to subsidiaries	D	-	-	(12,771,400)	-
Repayments of lease liabilities	D	(314,608)	(149,680)	-	-
Net cash used in financing activities		(509,200)	(291,251)	(12,946,593)	(101,344)
CASH AND CASH EQUIVALENTS					
Net changes		20,186,997	22,910,443	27,911	92,285
Translation difference		37,386	44,626	-	-
Brought forward		29,712,358	6,757,289	499,434	407,149
Carried forward	C	49,936,741	29,712,358	527,345	499,434

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

NOTES TO STATEMENTS OF CASH FLOWS

A. Purchase of right-of-use assets

Acquisition of right-of-use assets during the financial year are financed by:

	31.12.2020 RM	Restated 31.12.2019 RM
Group		
Total purchase of right-of-use assets	2,411,738	673,873
Less: Acquisition by mean of lease arrangements	(1,771,000)	(673,873)
Total cash paid	640,738	-

B. Proceeds from disposal of property, plant and equipment and right-of-use assets

	2020 RM	Restated 2019 RM
Group		
Consideration on disposal of right-of-use assets	13,000,000	-
Consideration on disposal of property, plant and equipment	2,234,394	36,300
Proceeds from disposal received for property, plant and equipment	(684,394)	(36,300)
Proceeds from disposals included in other receivables (Note 11)	14,550,000	-

C. Cash and cash equivalents

	31.12.2020 RM	Restated 31.12.2019 RM	Restated 1.1.2019 RM
Group			
Cash and bank balances	44,871,845	6,102,207	6,756,259
Fixed deposits with licensed banks	10,099,634	46,859,488	38,471,829
Less: Fixed deposits maturity more than 3 months	(5,034,738)	(23,249,337)	(38,470,799)
Cash and cash equivalents	49,936,741	29,712,358	6,757,289
Company			
Cash and bank balances/Cash and cash equivalents	527,345	499,434	407,149

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

NOTES TO STATEMENTS OF CASH FLOWS (CONT'D)

D. Reconciliation of movement of liabilities to cash flows arising from financing activities

	At 1 January RM	Acquisition of new lease RM	Repayment of lease liabilities RM	Translation difference RM	At 31 December RM
Group					
31.12.2020					
Lease liabilities					
Total liabilities from financing activities	804,460	1,771,000	(314,608)	-	2,260,852
31.12.2019, restated					
Lease liabilities					
Total liabilities from financing activities	279,524	673,873	(149,680)	743	804,460

	At 1 January RM	Advances RM	Repayment RM	At 31 December RM
Company				
31.12.2020				
Amount due to subsidiaries				
Total liabilities from financing activities	-	19,551,250	(12,771,400)	6,779,850

E. Cash outflows for leases as a lessee

	31.12.2020 RM	Restated 31.12.2019 RM
Group		
Included in net cash from operating activities		
Payment relating to short-term leases	441,744	748,196
Interest paid in relation to lease liabilities	39,249	40,227
Included in net cash from financing activities		
Payment of lease liabilities	314,608	149,680
Total cash outflows for leases	795,601	938,103

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor Darul Ehsan. The principal place of business of the Company is located at Lot 7020, Batu 23, Jalan Air Hitam, 81000 Kulai, Johor Darul Takzim.

The Company is an investment holding company. The principal activities of its subsidiaries are disclosed in Note 7 to the Financial Statements. There has been no significant change in the nature of these activities during the financial year.

The financial statements of the Group and of the Company were authorised for issue by the Directors in accordance with a resolution of the Board of Directors on 16 March 2021.

2. BASIS OF PREPARATION

(a) Statements 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 (“IFRSs”) and the requirements of the Companies Act 2016 in Malaysia.

(b) Adoption of new or revised MFRSs

The accounting policies adopted by the Group and by the Company are consistent with those of the prior financial year except for the new and revised MFRSs and IC Interpretations approved by Malaysian Accounting Standards Board (“MASB”) and applicable for current financial year. Application of the new and revised MFRSs and interpretations has no material impact on financial statements of the Group and of the Company.

(c) Standards issued but not effective yet

At the date of authorisation of these financial statements, MASB has approved certain new standards, amendments and interpretations to existing standards which are not yet effective, and have not been early adopted by the Group and by the Company.

The management anticipates that all of the relevant pronouncements will be adopted in the Group’s and in the Company’s accounting policies for the first period beginning after the effective date of the pronouncement.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company upon their first adoption.

(d) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 3 to the Financial Statements.

(e) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

2. BASIS OF PREPARATION (CONT'D)

(f) Use of estimates and judgements

Estimates and assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Estimation uncertainties

Useful lives of depreciable assets

The management estimates the useful lives of the depreciable assets to be within 2 to 95 years and reviews the useful lives of depreciable assets at each reporting date. The management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to change in the expected level of usage and technological developments, which may result in an adjustment to the Group's assets.

The management expects that the expected useful lives of depreciable assets would not have material difference from the management's estimation, hence, it would not result in material variance in the Group's profit/(loss) for the financial years.

The carrying amount of the Group's depreciable assets at the reporting date are disclosed in Notes 4 and 5 to the Financial Statements.

Amortisation of intangible asset

Intangible asset is amortised for a period of 5 years based on industry comparison. Changes in market demand could impact economical useful life of the assets, therefore, future amortisation changes could be revised.

The carrying amount of the Group's intangible asset at the end of the reporting year is disclosed in Note 6 to the Financial Statements.

Deferred tax assets

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

The carrying value of deferred tax assets of the Group at the reporting year is disclosed in Note 9 to the Financial Statements.

Income taxes

Significant judgement is involved in determining the Group-wide and the Company-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognised tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

2. BASIS OF PREPARATION (CONT'D)

(f) Use of estimates and judgements (Cont'd)

Estimation uncertainties (cont'd)

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. The realisation of these inventories may be affected by market-driven changes that may occur in the future.

The management reassess its estimate on inventories written down from prior financial years, where inventories written down was provided for any inventories that held more than 3 years from production date. The basis had changed in current financial year after the management takes into account the current realiable evidence available. For identified inventories that held more than 5 years and without sales was made, the management written down for these inventories.

The carrying amount of the Group's inventories at the end of the reporting date is disclosed in Note 10 to the Financial Statements.

Impairment of non-financial assets

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics.

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present values of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Provision for expected credit losses ("ECL") of financial assets

Credit losses are the difference between all contractual cash flows the Group and the Company are due and the cash flows that they actually expect to receive. An expected credit loss is the probability-weighted estimate of credit losses which requires the Group's and the Company's judgement. The expected credit losses are discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Group and the Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns such as geography, customer type and rating, and coverage by letters of credit and other forms of credit insurance.

The provision matrix is initially based on the Group's and on the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every quarterly reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

The carrying amount of the Group's and the Company's receivables at the end of the reporting date is disclosed in Notes 11 and 12 and 13 to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

2. BASIS OF PREPARATION (CONT'D)

(f) Use of estimates and judgements (Cont'd)

Estimation uncertainties (cont'd)

Revaluation of property, plant and equipment and right-of-use assets

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

The carrying amounts of the land and buildings at the end of the reporting year and the relevant revaluation basis are disclosed in Notes 4 and 5 to the Financial Statements.

Fair value measurement of financial instruments

Significant judgement is involved in determining the appropriate valuation techniques and inputs for fair value measurements where active market quotes are not available. In estimating the fair value of financial asset or financial liability, the Group and the Company use market-observable data to the extent it is available. Management makes maximum use of market inputs, and uses estimates and assumptions that are far as possible, consistent with observable data that market participants would use in measuring the financial assets and financial liabilities. Where level 1 input are not available, management uses its best estimate about the assumptions that market participants would make and these estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting date.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the Note 14 to the Financial Statements.

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group and the Company had determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

2. BASIS OF PREPARATION (CONT'D)

(g) Significant management judgement

The following are significant management judgements in applying the accounting policies of the Group and of the Company that have the most significant effect on the financial statements.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, the Group uses an incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Determining the lease term of contracts with renewal and termination options – Group lessee

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

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, they consider all relevant factors that create an economic incentive for them to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within their control and affects their ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of building with shorter non-cancellable period. The Group typically exercises the option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available.

(h) Correction of errors

On 31 December 2019 the Group has applied MFRS 16 Leases, using the modified retrospective approach, under which the cumulative effect of initial application is recognised as an adjustment to retained earnings at 1 January 2019. However, certain lease contracts entered in 31 December 2019 with non-cancellable term of the lease, together with period covered by an option to extend the lease that are reasonably certain to be exercised was not recognised as right-of-use assets and lease liabilities. The Group has conducted a detail review of the terms and condition of the lease contracts and discovered the error.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

2. BASIS OF PREPARATION (CONT'D)

(h) Correction of errors (Cont'd)

The error has been corrected by restating each of the effected financial statements line items for the prior financial year, as follows:

		Statements of Financial Position			
Group	Note	As previously reported RM	MFRSs adjustment RM	Re-classifications RM	As restated RM
31.12.2019					
Property, plant and equipment	2	49,408,899	-	(106,029)	49,302,870
Right-of-use assets	1,2	6,089,230	292,886	-	6,382,116
Trade and other receivables	2	29,291,049	-	106,029	29,397,078
Lease liabilities	1	(507,745)	(296,715)	-	(804,460)

		Statements of Profit or Loss and Other Comprehensive Income			
Group	Note	As previously reported RM	MFRSs adjustment RM	Re-classifications RM	As restated RM
1.1.2019 to 31.12.2019					
Revenue	2	117,993,668	-	140,577	118,134,245
Cost of sales	1	(113,582,545)	854	-	(113,581,691)
Other income	2	512,646	-	(140,577)	372,069
Distribution expenses	1	(6,762,703)	4,277	-	(6,758,426)
Finance costs	1	(31,267)	(8,960)	-	(40,227)

		Statements of Changes in Equity		
Group	Note	As previously reported RM	MFRSs adjustment RM	As restated RM
31.12.2019				
Retained earnings	1	99,004,619	3,829	99,000,790

2. BASIS OF PREPARATION (CONT'D)

(h) Correction of errors (cont'd)

Group	Note	Statements of Cash Flows As previously reported RM	MFRSs adjustment RM	Re-classifications RM	As restated RM
1.1.2019 to 31.12.2019					
OPERATING ACTIVITIES					
Loss before tax	2	(6,294,265)	(3,829)	-	(6,298,094)
Adjustment for:					
Depreciation of property, plant and equipment	1,2	5,434,708	16,120	-	5,450,828
Depreciation of right-of-use assets	1,2	247,113	53,178	-	300,291
Interest expenses	1	31,267	8,960	-	40,227
Changes in working capital:					
Receivables	2	(563,110)	-	(106,029)	(669,139)
Tax refunded/(paid)	2	535,992	-	(535,992)	-
Tax refunded	2	-	-	741,427	741,427
Tax paid	2	-	-	(205,435)	(205,435)
Interest paid	1	(31,267)	-	31,267	-
INVESTING ACTIVITIES					
Acquisition of property, plant and equipment	1	(1,449,270)	(16,121)	106,029	(1,359,362)
Uplifted of fixed deposit with licensed bank	1	-	-	15,221,462	15,221,462
FINANCING ACTIVITIES					
Interest paid	1	-	(8,960)	(31,267)	(40,227)
Repayment of lease liabilities	1	(100,240)	(49,440)	-	(149,680)
CASH AND CASH EQUIVALENTS					
Net changes	2	7,733,607	-	15,176,836	22,910,443
Translation differences	1,2	44,534	92	-	44,626

Notes to reconciliations

1. The Group has recognised right-of-use assets and lease liabilities upon adoption of MFRS 16 Leases. As a result, right-of-use assets, lease liabilities and finance cost increased whereas retained earnings, cost of sales and distribution expenses decreased.

2. Certain comparative figures have been reclassified in order to conform with current year presentation.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

Investments in subsidiaries are measured in the Group's statements of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statements of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

(v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statements of financial position and statements of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statements of profit or loss and other comprehensive income as an allocation of the profit or loss and total comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(vii) Associates

Associates are entities in which the Group has significant influence, but no control, over their financial and operating policies.

The Group's investments in its associates is accounted for using the equity method. Under the equity method, investment in an associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate since the acquisition date.

The share of the result of an associate is reflected in profit or loss. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, where there has been a change recognised directly in the equity of an associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

The financial statements of the associates is prepared as of the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies of the associates in line with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(vii) Associates (cont'd)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates. The Group determines at each end of the reporting period whether there is any objective evidence that the investments in the associates is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and their carrying value, then recognises the amount in the "share of profit of investments accounted for using the equity method" in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

In the Company's separate financial statements, investments in associates is stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group and the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign currency (cont'd)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group or the Company dispose of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group or the Company dispose of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group or the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company change its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

***Financial assets* (cont'd)**

The categories of financial assets at initial recognition are as follows:

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(b) Fair value through other comprehensive income

(i) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(ii) Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial assets **(cont'd)**

(c) Fair value through profit or loss

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

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial liabilities (cont'd)

The categories of financial liabilities at initial recognition are as follows (cont'd):

(b) Amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

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

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group or the Company currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment (cont'd)

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Change from cost model to the revaluation model

On 31 December 2020, the Group elected to change the method of accounting for land and buildings as the Group believe that the revaluation model provides more relevant information to the users of financial statements.

Land and buildings are shown at market value provided by independent professional valuers on an open market basis, less subsequent accumulated depreciation and impairment losses. Land and buildings are revalued when indicators of material changes in value exits or at interval of not more than 5 years. Any revaluation increase is credited to other comprehensive income and shown as revaluation reserve in shareholders' equity. Decreases that offset previous increase of the same asset are charged in other comprehensive income and debited against revaluation reserve directly in equity; all other decreases are charged to the profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the profit or loss and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings. Upon disposal of revalued assets, the attributable revaluation surplus remaining in revaluation reserve is transferred to unappropriated profits.

(iv) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful lives that is different from the remainder of that asset, then that component is depreciated separately.

Except for freehold land, depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold land and buildings	50 years
Plant and machinery	3 to 5 years
Motor vehicles, office and other equipment	3 to 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

Capital work-in-progress consists of property, plant and equipment under construction/installation for intended use. It is reclassified to property, plant and equipment once it is available for use. The amount is stated at cost and borrowing cost for qualifying assets is capitalised in accordance with accounting policy on borrowing cost. Capital work-in-progress is not depreciated until the assets are ready for the intended use.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Intangible asset

Intangible asset acquired separately is measured on initial recognition at cost. Following initial recognition, intangible asset is carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the profit or loss in the period in which it incurred.

The useful life of intangible asset is assessed to be either finite or indefinite. Intangible assets with finite life are amortised on straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The Group's intangible asset consists of computer software, which was initially recognised at cost. Intangible asset was amortised at the straight-line method over its useful life of 5 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by charging the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible asset with finite useful life is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Gain or losses arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

(f) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are presented as one of the categories under property, plant and equipment and depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Leasehold land and buildings	95 years
Leased buildings	2 to 5 years
Plant and machinery	2 to 5 years
Motor vehicles, office and other equipment	3 to 5 years

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

The right-of-use assets are also subject to impairment as detailed in Note 3(j)(ii) to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Leases (cont'd)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments included fixed payments (including in-substance fixed payments) less any incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognises as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term lease and lease of low-value assets

The Group applies the short-term lease recognition exemption to their short-term lease. It also applies the lease of low-value assets recognition exemption to lease of that are considered to be low-value. Lease payments on short-term leases and lease of low-value assets are recognised as expense on a straight-line basis over the lease term.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other cost incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Contract asset

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, Financial Instruments.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

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

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

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

The Group and the Company estimate the expected credit losses on trade receivables with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

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

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

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Impairment (cont'd)

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(k) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expense

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Equity instruments (cont'd)

(iii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statements of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

Where the treasury shares are subsequently distributed as dividends to shareholders, the cost of the treasury shares is applied as reduction of the distributable retained earnings.

(iv) Cancellation of share capital (treasury shares)

Where the treasury shares are cancelled, the cost of the treasury shares is applied as reduction of the distributable retained earnings, inter alia, the issued share capital is diminished by the treasury shares cancelled.

(v) Revaluation reserve

The revaluation reserve within equity comprises gains and losses due to the revaluation of land and buildings.

(l) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities and on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

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

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;

(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(n) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group or the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plan

The Group's and the Company's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(o) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

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

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Operating segments

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

(q) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

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

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

4. PROPERTY, PLANT AND EQUIPMENT

	Cost/Valuation	←	Cost	→	
	Land and buildings RM	Plant and machinery RM	Motor vehicles, office and other equipment RM	Capital and other progress RM	Total RM
Group					
At 1.1.2019	46,155,649	166,943,366	8,845,874	1,822,323	223,767,212
Additions	2,491	332,499	246,355	778,017	1,359,362
Disposals	-	(10,425)	(170,225)	-	(180,650)
Written off	-	(905,898)	(4,692)	-	(910,590)
Transfers	-	198,901	1,390,313	(1,589,214)	-
Exchange difference	-	-	1,314	-	1,314
At 31.12.2019, restated	46,158,140	166,558,443	10,308,939	1,011,126	224,036,648
Additions	1,800	335,958	2,142,337	135,455	2,615,550
Disposals	-	(4,434,363)	(1,920,956)	-	(6,355,319)
Written off	-	(5,143,299)	(132,351)	(3,748)	(5,279,398)
Transfers	100,910	758,386	2,581	(861,877)	-
Revaluation	81,059,150	-	-	-	81,059,150
Exchange difference	-	-	1,829	-	1,829
At 31.12.2020	127,320,000	158,075,125	10,402,379	280,956	296,078,460
Accumulated depreciation					
At 1.1.2019	11,740,614	150,348,099	8,228,550	-	170,317,263
Charge for the financial year	584,070	4,254,455	612,303	-	5,450,828
Disposals	-	(10,422)	(170,223)	-	(180,645)
Written off	-	(851,119)	(4,691)	-	(855,810)
Exchange difference	-	-	2,142	-	2,142
At 31.12.2019, restated	12,324,684	153,741,013	8,668,081	-	174,733,778
Charge for the financial year	585,323	3,471,246	551,084	-	4,607,653
Disposals	-	(4,186,855)	(1,920,946)	-	(6,107,801)
Written off	-	(4,953,374)	(130,643)	-	(5,084,017)
Revaluation	(12,910,007)	-	-	-	(12,910,007)
Exchange difference	-	-	2,117	-	2,117
At 31.12.2020	-	148,072,030	7,169,693	-	155,241,723
Net carrying amount					
At 31.12.2020	127,320,000	10,003,095	3,232,686	280,956	140,836,737
At 31.12.2019, restated	33,833,456	12,817,430	1,640,858	1,011,126	49,302,870
At 1.1.2019, restated	34,415,035	16,595,267	617,324	1,822,323	53,449,949

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

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

Analysis of land and buildings as at 31 December:

	Freehold land RM	Freehold buildings RM	Total RM
Group			
Cost/Valuation			
At 1.1.2019	15,651,891	30,503,758	46,155,649
Addition	-	2,491	2,491
At 31.12.2019	15,651,891	30,506,249	46,158,140
Addition	-	1,800	1,800
Transfer from capital work-in-progress	-	100,910	100,910
Revaluation	36,691,800	44,367,350	81,059,150
At 31.12.2020	52,343,691	74,976,309	127,320,000
Accumulated deprciation			
At 1.1.2019	-	11,740,614	11,740,614
Charge for the financial year	-	584,070	584,070
At 31.12.2019	-	12,324,684	12,324,684
Charge for the financial year	-	585,323	585,323
Revaluation	-	(12,910,007)	(12,910,007)
At 31.12.2020	-	-	-
Net carrying amount			
At 31.12.2020	52,343,691	74,976,309	127,320,000
At 31.12.2019	15,651,891	18,181,565	33,833,456
At 1.1.2019	15,651,891	18,763,144	34,415,035

Revaluation of land and buildings

The Group and the Company apply revaluation model in measuring its freehold land and buildings. The freehold land and buildings of the Group and the Company were revalued on 31 December 2020 by Laurecap Sdn Bhd, an independent professional valuer. The revaluation surplus net of applicable deferred tax was credited to other comprehensive income and is shown in "Revaluation Reserve" under the equity.

Fair value measurement of the freehold land and buildings were categorised under Level 2.

<u>Level 2 Fair Value</u>

Level 2 fair value of freehold and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is per square foot of comparable properties.

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

Revaluation of land and buildings (cont'd)

If land and buildings were measured using the cost model, the carrying amount would be as follows:

	31.12.2020 RM	31.12.2019 RM	1.1.2019 RM
Group			
Freehold land			
Cost	15,651,891	15,651,891	15,651,891
Freehold buildings			
Cost	30,608,959	30,506,249	30,503,758
Less: Accumulated depreciation	12,910,007	12,324,684	11,740,614
	17,698,952	18,181,565	18,763,144

5. RIGHT-OF-USE ASSETS

	← Cost/Valuation	→	Cost	
	Leasehold land RM	Buildings RM	Motor vehicles, office and other equipment RM	Total RM
Group				
At cost valuation				
At 1.1.2019	6,090,190	1,473,785	309,466	7,873,441
Additions	-	327,718	346,155	673,873
Exchange difference	-	743	-	743
At 31.12.2019, restated	6,090,190	1,802,246	655,621	8,548,057
Addition	-	-	2,411,738	2,411,738
Disposals	(5,823,995)	(1,178,704)	-	(7,002,699)
Expiration of lease contract	-	-	(15,956)	(15,956)
Written off	(112,000)	-	-	(112,000)
Exchange difference	-	796	-	796
Revaluation	120,925	79,799	-	200,724
At 31.12.2020	275,120	704,137	3,051,403	4,030,660
Accumulated depreciation				
At 1.1.2019	1,482,837	349,196	33,526	1,865,559
Charge for the financial year	114,689	70,439	115,163	300,291
Exchange difference	-	91	-	91
At 31.12.2019, restated	1,597,526	419,726	148,689	2,165,941

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

5. RIGHT-OF-USE ASSETS (CONT'D)

	Cost/Valuation		Cost	
	Leasehold land RM	Buildings RM	Motor vehicles, office and other equipment RM	Total RM
Group (cont'd)				
Accumulated depreciation (cont'd)				
At 31.12.2019, restated	1,597,526	419,726	148,689	2,165,941
Charge for the financial year	111,953	193,584	195,704	501,241
Disposals	(1,664,191)	(348,561)	-	(2,012,752)
Written off	(29,066)	-	-	(29,066)
Expiration of lease contract	-	-	(15,956)	(15,956)
Revaluation	(16,222)	(59,013)	-	(75,235)
Exchange difference	-	84	-	84
At 31.12.2020	-	205,820	328,437	534,257
Net carrying amount				
At 31.12.2020	275,120	498,317	2,722,966	3,496,403
At 31.12.2019, restated	4,492,664	1,382,520	506,932	6,382,116
At 1.1.2019, restated	4,607,353	1,124,589	275,940	6,007,882

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

	31.12.2020 RM	31.12.2019 RM	1.1.2019 RM
Motor Vehicle	1,464,183	-	-

The Group and the Company leases land, buildings and machineries that run between 2 to 95 years.

The Group and the Company apply revaluation model in measuring its freehold land and buildings. The freehold land and buildings of the Group and the Company were revalued on 31 December 2020 by Laurecap Sdn Bhd, an independent professional valuer. The revaluation surplus net of applicable deferred tax was credited to other comprehensive income and is shown in "Revaluation Reserve" under the equity.

Fair value measurement of the land and buildings were categorised as Level 2.

Level 2 Fair Value

Level 2 fair value of freehold and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is per square foot of comparable properties.

If land and buildings were measured using the cost model, the carrying amount would be as follows:

	31.12.2020 RM	31.12.2019 RM	1.1.2019 RM
Leasehold land	154,195	4,492,664	4,607,353
Leasehold buildings	359,505	1,382,520	1,124,589
	513,700	5,875,184	5,731,942

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

6. INTANGIBLE ASSET

	Group Computer software RM
At cost	
At 1.1.2019/31.12.2019	-
Addition	1,825,200
At 31.12.2020	1,825,200
Accumulated amortisation	
At 1.1.2019/31.12.2019	-
Charge for the financial year	30,420
At 31.12.2020	30,420
Net Carrying amount	
At 31.12.2020	1,794,780
At 1.1.2019/31.12.2019	-

7. INVESTMENTS IN SUBSIDIARIES

		Company	
	31.12.2020 RM	31.12.2019 RM	1.1.2019 RM
Cost of investment	80,371,209	80,371,207	80,371,207

Details of the subsidiaries are as follows:

Name of companies	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 2020 %	2019 %	2018 %
Yi-Lai Industry Berhad ("YLB")	Malaysia	Manufacture and sale of ceramic and homogeneous tiles	100	100	100
Yi-Lai Marketing Sdn Bhd ("YLM")	Malaysia	Trading and distribution of tiles	100	100	100
Yi-Lai Trading Pte. Ltd# ("YLT")	Singapore	Trading and distribution of tiles	100	100	100
YB Technologies Sdn. Bhd.* ("YBT")	Malaysia	Investment holdings	100	-	-

Not audited by Grant Thornton Malaysia PLT
* Newly incorporated and the financial result at 31 December 2020 are not audited

Incorporation of a subsidiary

On 7 October 2020, the Company had incorporated a new subsdiary, YBT and made initial capital contribution of a cash consideration of RM2 representing 100% of effective equity interest.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

8. INVESTMENT IN AN ASSOCIATE

	Group 2020 RM
Unquoted shares, at cost:	
At beginning of financial year	-
Addition	9,500,000
At end of financial year	9,500,000
Share of post-acquisition profit	
At beginning of financial year	-
Share of profit	2,184
At end of financial year	2,184
Unquoted shares, net	9,502,184

Details of the associate are as follows:

Name of company	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %	Principal activity
Techbase System Sdn. Bhd. ("TBS")*#	Malaysia	49	-	Other Information Technology Service Activities

* Not audited by Grant Thornton Malaysia PLT.
# Investment through YB Technologies Sdn. Bhd..

The summary of financial information of TBS is as follows:

	2020 RM
Current assets	19,424,744
Current liabilities	(32,531)
Net assets of the associate	19,392,213
Proportion of the Group's ownership in TBS	49%
Carrying amount of the Group's interest in TBS	9,502,184
Profit and total comprehensive profit for the financial year	4,458
Group's share of profit for the financial year	2,184

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

9. DEFERRED TAX ASSETS/LIABILITIES

	Group	
		Restated
	31.12.2020	31.12.2019
	RM	RM
Deferred tax assets		
At beginning of the financial year	642,179	258,000
Recognised in profit or loss (Note 22)	5,893	384,179
Underprovision in prior financial year (Note 22)	24,000	-
At end of the financial year	672,072	642,179
Deferred tax liabilities		
At beginning of the financial year	185,848	923,298
Recognised in profit or loss (Note 22)	(15,912)	(817,450)
Recognised in other comprehensive income	17,492,575	-
(Over)/under provision in prior financial year (Note 22)	(1,070,848)	80,000
At end of the financial year	16,591,663	185,848

The deferred tax assets/(liabilities) are attributable to the following:

		Group	
		Restated	Restated
	31.12.2020	31.12.2019	1.1.2019
	RM'000	RM'000	RM'000
Group			
31.12.2020			
Property, plant and equipment	4,176	5,137	5,730
Revaluation of property, plant and equipment	17,493	-	-
Inventories	(426)	(1,863)	(3,211)
Trade receivables	(165)	(178)	(131)
Unutilised reinvestment allowances	(370)	(370)	(370)
Unutilised tax losses	(2,329)	(1,628)	(539)
Unabsorbed capital allowances	(2,341)	(1,392)	(674)
Others	(118)	(162)	(140)
	15,920	(456)	665

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

		Group	
		Restated	Restated
	31.12.2020	31.12.2019	1.1.2019
	RM'000	RM'000	RM'000
Unutilised tax losses	-	3,542	-

At the reporting date, the unutilised tax losses that are available for offset against future taxable profits, for which no deferred tax asset is recognised, is due to uncertainty of its recoverability.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

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

Effective from year of assessment 2019 as announced in Annual Budget 2019, the unutilised tax losses of the Company as at 31 December 2019 and thereafter will only be available for carry forward for a period of 7 consecutive years. Upon expiry of the 7 years, the unutilised tax losses will be disregarded.

The expiry of the unutilised tax losses are as follows:

	Group 31.12.2020 RM'000	Restated 31.12.2019 RM'000	Restated 1.1.2019 RM'000
Year of assessment 2026	9,704	6,783	2,246

10. INVENTORIES

	31.12.2020 RM	Restated 31.12.2019 RM	Restated 1.1.2019 RM
Group			
Raw materials	6,020,186	5,998,844	9,555,425
Work-in-progress	2,888,131	2,391,990	3,314,354
Finished goods	23,323,421	26,998,168	32,009,242
Consumables	11,622,739	11,622,677	11,439,571
	43,854,477	47,011,679	56,318,592

	31.12.2020 RM	Restated 31.12.2019 RM
Group		
Recognised in profit or loss:		
- Inventories recognised as cost of sales	83,800,750	113,581,691
- (Reversal of inventories written down)/Inventories written down	(5,532,351)	183,034
- Inventories written off	383,245	-
- (Reversal of allowance for)/allowance for slow moving inventories	(677,914)	6,192

11. TRADE AND OTHER RECEIVABLES

	Group			Company		
	31.12.2020 RM	Restated 31.12.2019 RM	Restated 1.1.2019 RM	31.12.2020 RM	Restated 31.12.2019 RM	Restated 1.1.2019 RM
Trade receivables	32,187,407	28,082,486	27,773,401	-	-	-
Other receivables, deposits and prepayments	17,498,933	1,314,592	1,166,482	202,000	2,000	2,000
	49,686,340	29,397,078	28,939,883	202,000	2,000	2,000

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

11. TRADE AND OTHER RECEIVABLES (CONT'D)

The proceeds from disposal of investment property and property, plant and equipment which receivable from a purchaser is as follow:

	31.12.2020 RM	Restated 31.12.2019 RM	Restated 1.1.2019 RM
Group			
Property plant and equipment	2,000,000	-	-
Right-of-use assets	12,550,000	-	-
	14,550,000	-	-

12. CONTRACT ASSETS

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

The movement of contract assets are as follow:

	31.12.2020 RM	Restated 31.12.2019 RM
Group		
Brought forward	5,783,466	5,449,480
Recognised as revenue	29,219,126	40,101,288
Billing issued	(31,099,335)	(39,767,302)
Carried forward	3,903,257	5,783,466

13. AMOUNT DUE FROM/(TO) SUBSIDIARIES

The non-trade amount due from/(to) subsidiaries are unsecured, charged at interest of 3% (31.12.2019 and 1.1.2019: Nil) per annum and repayable on demand.

14. OTHER INVESTMENTS

	31.12.2020 RM	Restated 31.12.2019 RM	Restated 1.1.2019 RM
Group			
Unit trust funds			
Fair value through profit or loss	13,900,911	25,051,062	24,571,506
Company			
Unit trust funds			
Fair value through profit or loss	7,407,086	20,835,440	19,023,863

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

15. CASH AND CASH EQUIVALENTS

	Group			Company		
	31.12.2020 RM	Restated 31.12.2019 RM	Restated 1.1.2019 RM	31.12.2020 RM	Restated 31.12.2019 RM	Restated 1.1.2019 RM
Cash and bank balances	44,871,845	6,102,207	6,756,259	527,345	499,434	407,149
Fixed deposits with licensed banks	10,099,634	46,859,488	38,471,829	-	-	-
	54,971,479	52,961,695	45,228,088	527,345	499,434	407,149

The interest rate for fixed deposits with licensed institutions are from 0.35% to 2.95% (1.1.2019 to 31.12.2019: 1.63% to 3.65%) and the maturity terms are within 20 to 365 days (1.1.2019 to 31.12.2019: within 10 to 365 days). None of the fixed deposits was pledged and no restriction to uplift on demand.

16. SHARE CAPITAL

	Number of shares					
	31.12.2020 Unit	Restated 31.12.2019 Unit	Restated 1.1.2019 Unit	31.12.2020 RM	Restated 31.12.2019 RM	Restated 1.1.2019 RM
Group and Company						
Issued and fully paid shares with no par value classified as equity instruments:						
Ordinary shares						
At 1 January	145,570,592	160,000,000	160,000,000	93,692,416	100,907,120	100,907,120
Cancellation of treasury shares	-	(14,429,408)	-	-	(7,214,704)	-
At 31 December	145,570,592	145,570,592	160,000,000	93,692,416	93,692,416	100,907,120

17. RESERVES

	31.12.2020 RM	Restated 31.12.2019 RM	Restated 1.1.2019 RM
Group			
Non-distributable			
Translation reserve	3,652,661	3,614,851	3,571,144
Revaluation reserve	76,752,541	-	-
Treasury shares	(256,687)	(101,344)	(11,389,805)
	80,148,515	3,513,507	(7,818,661)

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

17. RESERVES (CONT'D)

	31.12.2020 RM	Restated 31.12.2019 RM	Restated 1.1.2019 RM
Group (cont'd)			
Distributable			
Retained earnings	109,147,026	99,000,790	108,978,904
	189,295,541	102,514,297	101,160,243
Company			
Non-distributable			
Treasury shares	(256,687)	(101,344)	(11,389,805)
Distributable			
Retained earnings	7,775,086	7,913,826	11,551,529
	7,518,399	7,812,482	161,724

Translation reserve

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

Revaluation reserve

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

Treasury shares

At the Annual General Meeting held on 25 August 2020, the shareholders of the Group and of the Company renewed their approval for the Company to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Group and of the Company and its shareholders.

During the financial year, the Company repurchased 312,100 (31.12.2019: 172,800 and 1.1.2019: 6,664,500) of its issued share capital from the open market at an average price of RM0.50 (31.12.2019: RM0.59 and 1.1.2019: RM0.74) per share including transaction costs and the repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares.

As at 31 December 2020, the Company held 484,900 (31.12.2019: 172,800 and 1.1.2019: 14,429,408) of the Company's shares as treasury shares. The number of outstanding ordinary shares in issue after the cancellation and set off was 145,085,692(31.12.2019: 145,397,792 and 1.1.2019: 145,570,592).

18. LEASE LIABILITIES

18.1 Lease liabilities are presented in the statements of financial position as follows:

	31.12.2020 RM	Restated 31.12.2019 RM	Restated 1.1.2019 RM
Group			
Lease liabilities			
Current	511,514	311,335	57,407
Non-current	1,749,338	493,125	222,117
Net present values	2,260,852	804,460	279,524

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

18. LEASE LIABILITIES (CONT'D)

18.2 Future minimum lease payments are as follows:

	Minimum lease payments due			
	Within 1 year RM	2 to 5 years RM	More than 5 years RM	Total RM
Group				
31.12.2020				
Lease payments	621,282	1,702,216	248,465	2,571,963
Finance charges	(109,768)	(191,947)	(9,396)	(311,111)
Net present values	511,514	1,510,269	239,069	2,260,852
31.12.2019, restated				
Lease payments	355,406	529,279	-	884,685
Finance charges	(44,071)	(36,154)	-	(80,255)
Net present values	311,335	493,125	-	804,460
1.1.2019, restated				
Lease payments	70,080	242,360	-	312,440
Finance charges	(12,673)	(20,243)	-	(32,916)
Net present values	57,407	222,117	-	279,524

The effective interest rate of the lease liabilities of the Group is charged at the rates ranged from 4.04% to 6.00% and 5% (31.12.2019 and 1.1.2019: 5% and 5%) per annum respectively.

18.3 Lease payments not recognised as a liability:

The Group has elected not to recognises a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

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

	Group and Company	
	2020 RM	Restated 2019 RM
Short-term leases	441,744	748,196

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

19. TRADE AND OTHER PAYABLES

	Group			Company		
	31.12.2020 RM	Restated 31.12.2019 RM	Restated 1.1.2019 RM	31.12.2020 RM	Restated 31.12.2019 RM	Restated 1.1.2019 RM
Trade payables	9,104,696	9,629,974	9,624,369	-	-	-
Other payables and accrued expenses	11,843,640	10,495,014	9,281,230	72,378	206,136	296,703
	20,948,336	20,124,988	18,905,599	72,378	206,136	296,703

20. REVENUE

	Group		Company	
	2020 RM	Restated 2019 RM	2020 RM	Restated 2019 RM
Revenue from contracts with customers	90,777,758	117,374,063	-	-
Dividend income from a subsidiary	-	-	-	500,000
Dividend income from other investments	606,720	760,182	496,722	619,605
	91,384,478	118,134,245	496,722	1,119,605

20.1 Disaggregation of revenue

	Group	
	2020 RM	Restated 2019 RM
Primary geographical markets		
Malaysia	81,709,946	99,291,546
Singapore	3,829,458	17,622,829
Other countries	5,845,074	1,219,870
	91,384,478	118,134,245
Timing and recognition		
At a point in time	60,285,143	78,366,943
Over time	31,099,335	39,767,302
	91,384,478	118,134,245

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

20. REVENUE (CONT'D)

20.2 Nature of goods and services

The following information reflects the typical transactions of the Group and the Company:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms
Tiles	Revenue is recognised when the goods are delivered and accepted by the customers.	Credit period ranging from 30 to 60 days from invoice date.
Made-to-order tiles	Revenue is recognised overtime as costs are incurred. These contracts would meet the no alternative use and the Group have rights to payment for work performed.	Credit period ranging from 30 to 60 days from invoice date.

The Group and the Company apply the practical expedient for exemption on disclosure of information on remaining performance obligation that have original expected durations of one year or less.

21. PROFIT/(LOSS) BEFORE TAX

		Group		Company	
			Restated		Restated
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Profit/(Loss) before tax is arrived at after charging/(crediting)					
Auditors' remuneration:					
- Audit fees		84,000	104,000	22,000	29,000
- Under provision in prior year		-	8,000	-	-
- Other auditors		20,722	20,628	-	-
- Non-audit fee		25,000	48,500	25,000	33,500
Depreciation of:					
- Property, plant and equipment		4,607,653	5,450,828	-	-
- Right-of-use assets		501,241	300,291	-	-
Amortisation of intangible assets		30,420	-	-	-
Right-of-use assets:					
- Written off		82,934	-	-	-
- Gain on disposal		(8,010,053)	-	-	-
Personnel expenses (including key management personnel):					
- Contributions to define benefit plans		1,391,550	1,459,633	-	-
- Wages, salaries and others		19,407,318	21,879,238	-	-
Expenses relating to short-term leases	(i)	441,744	748,196	-	-
Interest expenses:					
- Lease liabilities		39,249	40,227	-	-
- Subsidiaries		-	-	19,850	-
(Reversal of inventories written down)/ Inventories written down		(5,532,351)	183,034	-	-
Property, plant and equipment:					
- Written off		195,381	54,780	-	-
- Gain on disposal		(1,986,876)	(36,295)	-	-
Inventories written off		383,245	-	-	-
(Reversal of allowance for)/allowance for slow moving inventories		(677,914)	6,192	-	-

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

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

		Group		Company	
			Restated		Restated
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Profit/(Loss) before tax is arrived at after charging/(crediting) (cont'd)					
Trade receivables:					
- Impairment loss		-	195,548	-	-
- Amount written off		-	50,421	-	-
- Reversal of impairment loss		(52,762)	-	-	-
Change in fair value of other investment		7,850	44,111	7,305	71,903
Interest income		(439,996)	(861,960)	(55,950)	(4,410)
(Gain)/Loss on disposal on other investment		(90)	-	16,911	-
Dividend income from:					
- Other investment		(606,720)	(760,182)	(496,722)	(619,605)
- Subsidiary		-	-	-	(500,000)

Note (i)

The Group lease certain office premises, hostels, warehouse and forklifts with contract terms of 1 year or longer that is cancellable with sufficient notice. These leases are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

22. TAX (INCOME)/EXPENSE

Recognised in profit or loss

Major components of income tax (income)/expense include:

	Group		Company	
		Restated		Restated
	2020	2019	2020	2019
	RM	RM	RM	RM
Current tax expense				
- Current year	15,820	617,158	-	1,160
- (Over)/Under provision in prior years	(45,957)	9,390	-	1,320
	(30,137)	626,548	-	2,480
Deferred tax income				
- Origination and reversal of temporary differences	(21,805)	(1,201,629)	-	-
- (Over)/under provision in prior year	(1,094,848)	80,000	-	-
	(1,116,653)	(1,121,629)	-	-
	(1,146,790)	(495,081)	-	2,480

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

22. TAX (INCOME)/EXPENSE (CONT'D)

Recognised in profit or loss (cont'd)

	Group 2020 RM	Group Restated 2019 RM	Company 2020 RM	Company Restated 2019 RM
Reconciliation of tax (income)/expense				
Profit/(Loss) before tax	8,999,446	(6,298,094)	(138,740)	539,878
Income tax calculated using Malaysian tax rate of 24%	2,159,867	(1,511,543)	(33,298)	129,571
Income not subject to tax	(2,264,645)	(309,530)	-	(269,000)
Non-deductible expenses	98,793	386,522	33,298	140,589
Unrecognised deferred tax assets	-	850,080	-	-
	(5,985)	(584,471)	-	1,160
(Over)/under provision in prior years	(1,140,805)	89,390	-	1,320
Tax (income)/expense	(1,146,790)	(495,081)	-	2,480

23. EARNING/(LOSS) PER ORDINARY SHARE

Basic earning/(loss) per ordinary share

The calculation of basic earning/(loss) per ordinary share at 31 December 2020 was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group 2020 RM	Group Restated 2019 RM
Profit/(Loss) for the financial year attributable to ordinary shareholders	10,146,236	(5,803,013)
Weighted average number of ordinary shares at 31 December	145,285,222	145,544,159
Basic earning/(loss) per ordinary share (sen)	6.99	(3.99)

Diluted earning/(loss) per ordinary share

There are no dilutive potential ordinary shares. Accordingly, diluted loss per ordinary share is not presented.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

24. OPERATING SEGMENTS

Group

The Group's main business activities comprise investment holding and the manufacture and sale of ceramic and homogeneous tiles. These activities are principally located in Malaysia and Singapore. Inter-segment pricing is determined based on negotiated terms.

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Executive Director, who is the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Other non-reportable segment comprises investment holding.

Segment assets

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

Segment liabilities

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

	Malaysia		Singapore		Total	
	2020 RM'000	Restated 2019 RM'000	2020 RM'000	Restated 2019 RM'000	2020 RM'000	Restated 2019 RM'000
Segment profit/(loss)	8,784	(6,994)	357	660	9,141	(6,334)
Included in the measure of segment profit/(loss) are:						
Revenue from external customers	84,446	106,463	6,442	11,052	90,888	117,515
Inter-segment revenue	4,839	7,791	-	-	4,839	7,791
Reversal of/(Allowance for) inventories written down	5,532	(183)	-	-	5,532	(183)
Depreciation and amortisation	(4,879)	(5,557)	(260)	(194)	(5,139)	(5,751)
Finance income	199	613	159	245	358	858
Property, plant and equipment written off	(195)	(55)	-	-	(195)	(55)
Impairment loss on trade receivables	-	(184)	-	(12)	-	(196)

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

24. OPERATING SEGMENTS (CONT'D)

Segment liabilities (cont'd)

	Malaysia		Singapore		Total	
	2020 RM'000	**Restated 2019 RM'000**	**2020 RM'000**	**Restated 2019 RM'000**	**2020 RM'000**	**Restated 2019 RM'000**
Not included in the measure of segment profit but provided to Executive Director						
Tax income/(expense)	1,136	593	11	(96)	1,147	497
Segment assets	283,962	177,448	20,517	18,720	304,479	196,168
Included in the measure of segment assets are:						
Additions to non-current assets other than financial instruments and deferred tax assets	5,881	1,359	971	-	6,852	1,359
Segment liabilities	22,876	20,193	596	903	23,472	21,096

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items.

	2020 RM'000	**Restated 2019 RM'000**
Total profit/(loss) for reportable segments	9,141	(6,334)
Other non-reportable segments	(142)	36
Consolidated profit/(loss) before tax	8,999	(6,298)

	External revenue RM'000	**Depreciation and amortisation RM'000**	**Finance income RM'000**	**Segment assets RM'000**	**Additions non-current assets RM'000**	**Segment liabilities RM'000**
2020						
Total reportable segments	95,727	(5,139)	358	304,479	4,441	23,472
Other non-reportable segments	497	-	82	117,593	-	72
Elimination of inter-segment transactions or balances	(4,839)	-	-	(99,226)	-	16,314
Consolidated total	91,385	(5,139)	440	322,846	4,441	39,858

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

24. OPERATING SEGMENTS (CONT'D)

Segment liabilities (cont'd)

	External revenue RM'000	Depreciation and amortisation RM'000	Finance income RM'000	Segment assets RM'000	Additions non-current assets RM'000	Segment liabilities RM'000
2019, Restated						
Total reportable segments	125,305	(5,751)	858	196,168	1,359	21,096
Other non-reportable segments	620	-	4	101,711	-	206
Elimination of inter-segment transactions or balances	(7,791)	-	-	(80,371)	-	(1)
Consolidated total	118,134	(5,751)	862	217,508	1,359	21,301

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	Revenue		Non-current assets	
	2020 RM'000	Restated 2019 RM'000	2020 RM'000	Restated 2019 RM'000
Group				
Malaysia	81,710	99,291	155,192	55,928
Singapore	3,830	17,623	1,110	399
Others	5,845	1,220	-	-
Total	91,385	118,134	156,302	56,327

Major customers

The following is the major customer with revenue equal or more than 10% of the Group's total revenue:

	Revenue RM'000	Segment
2020		
Customer - A	15,307	Malaysia
2019, Restated		
Customer - A	17,374	Malaysia

25. CAPITAL COMMITMENTS

	2020 RM	Restated 2019 RM
Group		
Authorised and contracted for:		
- Intangible assets	398,822	-

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

26. FINANCIAL INSTRUMENTS

26.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(i) Financial assets measured at amortised cost ("FA");
(ii) Financial asset measured at FVTPL ("FVTPL"); and
(iii) Other financial liabilities measured at amortised cost ("OFL").

	Carrying amount RM'000	FA RM'000	FVTPL RM'000	OFL RM'000
Group				
31.12.2020				
Financial assets				
Trade and other receivables	48,740	48,740	-	-
Other investments	13,901	-	13,901	-
Cash and cash equivalents	54,971	54,971	-	-
	117,612	103,711	13,901	-
Financial liability				
Trade and other payables	20,900	-	-	20,900
31.12.2019, Restated				
Financial assets				
Trade and other receivables	28,974	28,974	-	-
Other investments	25,051	-	25,051	-
Cash and cash equivalents	52,962	52,962	-	-
	106,987	81,936	25,051	-
Financial liability				
Trade and other payables	20,092	-	-	20,092
1.1.2019, Restated				
Financial assets				
Trade and other receivables	28,940	28,940	-	-
Other investments	24,572	-	24,572	-
Cash and cash equivalents	45,229	45,229	-	-
	98,741	74,169	24,572	-
Financial liability				
Trade and other payables	18,906	-	-	18,906
Company				
31.12.2020				
Financial assets				
Trade and other receivables	202	202	-	-
Amount due from subsidiaries	19,551	19,551	-	-
Other investments	7,407	-	7,407	-
Cash and cash equivalents	527	527	-	-
	27,687	20,280	7,407	-
Financial liability				
Trade and other payables	72	-	-	72
Amount due to a subsidiary	6,780	-	-	6,780
	6,852	-	-	6,852

26. FINANCIAL INSTRUMENTS (CONT'D)

26.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows: (cont'd)

	Carrying amount RM'000	FA RM'000	FVTPL RM'000	OFL RM'000
Company (cont'd)				
31.12.2019, Restated				
Financial assets				
Trade and other receivables	2	2	-	-
Other investments	20,835	-	20,835	-
Cash and cash equivalents	499	499	-	-
	21,336	501	20,835	-
Financial liability				
Trade and other payables	206	-	-	206
1.1.2019, Restated				
Financial assets				
Trade and other receivables	2	2	-	-
Amount due from subsidiaries	1,500	1,500	-	-
Other investments	19,024	-	19,024	-
Cash and cash equivalents	407	407	-	-
	20,933	1,909	19,024	-
Financial liability				
Trade and other payables	297	-	-	297

26.2 Financial risk management

The Group has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

26.3 Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior period.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

26. FINANCIAL INSTRUMENTS (CONT'D)

26.3 Credit risk (cont'd)

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees given by banks, shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group and the Company assess whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to prior period.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statements of financial position.

The Group or the Company receive financial guarantees given by banks, shareholders or directors of customers in managing exposure to credit risks.

Trade receivables amounting to RM26,201,000 (31.12.2019: RM22,347,000 and 1.1.2019: RM20,875,000) of the Group and the Company are secured by financial guarantees given by banks, shareholders or directors of the customers.

Concentration of credit risk

The Group and the Company trade extensively with a few established distributors which the Group and the Company have a long standing business relationship. As at the end of the reporting period, the Group's and the Company's four largest distributors constitute approximately 34% (31.12.2019: 34% and 1.1.2019: 42%) of total trade receivables. These distributors do not have any significant outstanding balances exceeding their normal credit terms as at the end of the reporting period.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group and the Company manage its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 60 days.

The Group and the Company assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable.

The following table provides information about the exposure to credit risk and expected credit losses ("ECLs") for trade receivables and contract assets as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

26. FINANCIAL INSTRUMENTS (CONT'D)

26.3 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
31.12.2020			
Current (not past due)	26,570	-	26,570
1 - 30 days past due	6,090	-	6,090
31 - 60 days past due	2,869	-	2,869
61 - 90 days past due	369	-	369
	35,898	-	35,898
Credit impaired			
More than 90 days past due	879	(687)	192
	36,777	(687)	36,090
Trade receivables	32,874	(687)	32,187
Contract assets	3,903	-	3,903
	36,777	(687)	36,090
31.12.2019, Restated			
Current (not past due)	30,199	-	30,199
1 - 30 days past due	2,828	-	2,828
31 - 60 days past due	377	-	377
61 - 90 days past due	363	-	363
	33,767	-	33,767
Credit impaired			
More than 90 days past due	839	(740)	99
	34,606	(740)	33,866
Trade receivables	28,823	(740)	28,083
Contract assets	5,783	-	5,783
	34,606	(740)	33,866

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

26. FINANCIAL INSTRUMENTS (CONT'D)

26.3 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group (cont'd)			
1.1.2019, Restated			
Current (not past due)	29,215	-	29,215
1 - 30 days past due	2,212	-	2,212
31 - 60 days past due	1,669	-	1,669
61 - 90 days past due	74	-	74
	33,170	-	33,170
Credit impaired			
More than 90 days past due	596	(544)	52
	33,766	(544)	33,222
Trade receivables	28,317	(544)	27,773
Contract assets	5,449	-	5,449
	33,766	(544)	33,222

The movements in the allowance for impairment in respect of trade receivables and contract assets during the year are shown below.

	31.12.2020 RM'000	Restated 31.12.2019 RM'000
Credit impaired		
Balance as at 1 January	740	544
Net remeasurement of loss allowance	(53)	196
Balance as at 31 December	687	740

Inter-company balance

Risk management objectives, policies and processes for managing risk

The Group and the Company have trade transactions with related companies. The Group and the Company monitor the ability of the related companies to repay on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

26. FINANCIAL INSTRUMENTS (CONT'D)

26.3 Credit risk (cont'd)

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

The Group and the Company monitor the exposure to credit risk on individual basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. The Group and the Company do not recognise any allowance for impairment losses.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary. The Group and the Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM13 million (31.12.2019: RM13 million and 1.1.2019: RM13 million) representing the banking facilities limit granted to a subsidiary as at end of the reporting period.

Recognition and measurement of impairment loss

The Group and the Company assume that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Group and the Company considers a financial guarantee to be credit impaired when the subsidiary is continuously loss making and is having a deficit shareholders' fund.

As at the end of the reporting period, the subsidiary did not draw down any amount from the banking facilities. The financial guarantees have not been recognised since the fair value on initial recognition was not material.

26.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Liquidity risk (cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate/ coupon/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	3 - 5 years RM'000
Group						
31.12.2020						
Non-derivative financial liabilities						
Trade and other payables	20,900	-	20,900	20,900	-	-
Lease liabilities	2,261	4.00-6.00	2,571	621	1,702	248
	23,161		23,471	21,521	1,702	248
31.12.2019, Restated						
Non-derivative financial liabilities						
Trade and other payables	20,092	-	20,092	20,092	-	-
Lease liabilities	804	5.00	884	355	529	-
	20,896		20,976	20,447	529	-
1.1.2019, Restated						
Non-derivative financial liabilities						
Trade and other payables	18,906	-	18,906	18,906	-	-
Lease liabilities	280	5.00	312	70	242	-
	19,186		19,218	18,976	242	-

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Liquidity risk (cont'd)

Maturity analysis (cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments (cont'd):

	Carrying amount RM'000	Contractual interest rate/ coupon/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	3 - 5 years RM'000
Company						
31.12.2020						
Non-derivative financial liabilities						
Trade and other payables	72	-	72	72	-	-
Amount due to subsidiary	6,800	-	6,800	6,800	-	-
	6,872		6,872	6,872	-	-
31.12.2019, Restated						
Non-derivative financial liabilities						
Trade and other payables	206	-	206	206	-	-
1.1.2019, Restated						
Non-derivative financial liabilities						
Trade and other payables	296	-	296	296	-	-

* The amount represents the banking facilities limit granted to a subsidiary as at the end of the reporting period.

26.5 Market risk

Market risk is the risk that changes in market prices, such as interest rates and other prices that will affect the Group's and the Company's financial position or cash flows.

Currency risk

The Group and the Company are exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD") and US Dollar ("USD").

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

26. FINANCIAL INSTRUMENTS (CONT'D)

26.5 Market risk (cont'd)

Currency risk (cont'd)

Risk management objectives, policies and processes for managing the risk

The Group and the Company do not generally hedge its exposure to fluctuations in foreign exchange rates.

Interest rate risk

Interest rate 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 interest rates.

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group's targets a mix of fixed and floating debts based on assessment of its existing exposure and desired interest rate profile.

The Group's is exposed to change in interest rates relate primarily to interest-earning deposits and lease liabilities.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	31.12.2020 RM'000	Restated 31.12.2019 RM'000	Restated 1.1.2019 RM'000
Group			
Fixed rate instruments			
Financial assets			
Fixed deposit with licensed bank	10,100	46,859	38,472
Financial liabilities			
Lease liabilities	(2,261)	(804)	(280)
	7,839	46,055	38,192
Company			
Fixed rate instruments			
Financial assets			
Amount due from subsidiaries	19,551	-	-
Financial liabilities			
Amount due to a subsidiary	(6,780)	-	-
	12,771	-	-

26. FINANCIAL INSTRUMENTS (CONT'D)

26.5 Market risk (cont'd)

Interest rate risk (cont'd)

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Other price risk

Price risk arises from the Group's and the Company's investments in unit trust funds.

Risk management objectives, policies and processes for managing the risk

Management of the Group and the Company monitors the investments on a portfolio basis.

The Group and the Company invest in unit trust funds which seek to invest in short term deposits with licensed financial institutions for reasonable rate of return on income while maintaining capital stability.

Price risk sensitivity analysis

The unit trust funds invest in short term deposits with licensed financial institutions. The net asset value ("NAV") of the unit trust funds mainly depends on the performance of the financial instruments which is affected by changes in the market interest rate.

At the end of the reporting period, with all the variables held constant, a change of 100 basis points ("bp") in the interest rate would have increased/(decreased) post-tax profit or loss for investment classified as fair value through profit or loss by RM139,009 (31.12.2019: RM250,511 and 1.1.2019: RM245,715) and RM74,070 (31.12.2019: RM208,354 and 1.1.2019: RM190,239)

26.6 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The tables below analyses other financial instruments at fair value.

	Fair value of financial instruments carried at fair value Level 2 RM'000	Total fair value RM'000	Carrying amount RM'000
Group			
31.12.2020			
Financial assets			
Unit trust funds	13,901	13,901	13,901

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

26. FINANCIAL INSTRUMENTS (CONT'D)

26.6 Fair value information (cont'd)

	Fair value of financial instruments carried at fair value Level 2 RM'000	Total fair value RM'000	Carrying amount RM'000
Group (cont'd)			
31.12.2019, Restated			
Financial assets			
Unit trust funds	25,051	25,051	25,051
1.1.2019, Restated			
Financial assets			
Unit trust funds	24,572	24,572	24,572
Company			
31.12.2020			
Financial assets			
Unit trust funds	7,407	7,407	7,407
31.12.2019, Restated			
Financial assets			
Unit trust funds	20,835	20,835	20,835
1.1.2019, Resated			
Financial assets			
Unit trust funds	19,024	19,024	19,024

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (31.12.2019 and 1.1.2019: no transfer in either directions).

27. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital is to maintain a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Directors monitor and maintain an optimal capital and liquidity ratio that enables the Group and the Company to operate effectively without external borrowings.

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

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Group and the Company are required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Group and the Company have complied with this requirement.

28. RELATED PARTIES

Identify of related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly and entity that provides key management personnel services to the Group or to the Company. The key management personnel include all the Directors of the Group and the Company, and certain members of senior management of the Group and the Company.

The Group and the Company have related party relationship with its subsidiaries and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions and balances outstanding of the Group and of the Company are shown below. The balances related to the below transactions are shown in the Note 13.

		Group		Company	
			Restated		Restated
		31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
A.	**A company in which a former Director's close family member has substantial financial interest**				
	- Sales of goods	-	107	-	-
	- Balance outstanding	-	14	-	-
B.	**A company in which former Director has substantial financial interest**				
	- Sales of goods	-	389	-	-
	- Balance outstanding	-	248	-	-
C.	**Subsidiaries**				
	Interest expenses	-	-	20	-
	Interest income	-	-	(51)	-

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

28. RELATED PARTIES (CONT'D)

Identify of related parties (cont'd)

Significant related party transactions (cont'd)

	Group 31.12.2020 RM'000	Group Restated 31.12.2019 RM'000	Company 31.12.2020 RM'000	Company Restated 31.12.2019 RM'000
D. Key management personnel				
Directors				
- Fees	157	258	82	140
- Remuneration	245	440	-	-
Total short-term benefits	402	698	82	140
Other key Management Personnel				
- Short term employee benefits	386	438	-	-
	788	1,136	82	140

Other key management personnel comprise persons other than the Directors of the Group and the Company, having authority and responsibility for planning, directing and controlling the activities of the entities either directly or indirectly.

29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

(i) On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group and the Company operate.

The Group and the Company have assessed that it has not been significantly affected by the COVID-19 pandemic for the financial year ended 31 December 2020. As at the date of authorisation of the financial statements, the scale and duration of the economic uncertainties arising from the COVID-19 pandemic, could not be reasonably estimated. The Group and the Company are closely monitoring the evolving situation of the COVID-19 pandemic and its related financial effects, if any, on the financial statements of the Group and the Company will be reflected in the annual financial statements for the financial year ending 31 December 2021.

The Malaysian Government has again imposed the Movement Control Order ("MCO") and Conditional Movement Control ("CMCO") for selected states which are severely affected by the novel coronavirus ("COVID 19-pandemic") on 11 January 2021. Besides, the Malaysia King declared state of emergency for the country until 1 August 2021 to curb the spread of Covid-19 on 12 January 2021.

NOTES TO THE FINANCIAL STATEMENTS
CONT'D

29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD (CONT'D)

(ii) The restrictions imposed have not, however, negatively impacted the Group's and the Company's financial performance as our main essential services were allowed to operate throughout the MCO/CMCO, under guidelines set by the National Security Council, Ministry of Health and Ministry of International Trade and Industry respectively.

As at the date of authorisation of the financial statements, the COVID-19 pandemic situation is still evolving and uncertain. The Group and the Company will continue to actively monitor and manage its funds and operations to minimise any impact arising from the COVID-19 pandemic.

(iii) On 22 December 2020, the subsidiary, Yi-Lai Industry Berhad, entered into sales and purchase agreement with a purchaser of the Company to dispose property, plant and equipment and right-of-use assets as disclosed in Notes 4 and 5 to the Financial Statements with total consideration of RM15,000,000.

(iv) On 22 February 2021, the Company proposed bonus issue of 97,047,061 new ordinary shares ("bonus shares") on the basis of two (2) bonus shares for every three (3) existing ordinary shares in the Company and proposed to change the Company's name from Yi-Lai Berhad to YB Ventures Berhad.

(v) On 4 March 2021, the Company has proposed to undertake a proposed renounceable rights issue of up to RM48,523,530.60 nominal value of five (5)-year, 0.10%, irredeemable convertible unsecured loan stocks ("ICULS") at 100% of its nominal value of RM0.04 each on the basis of five (5) ICULS for every one (1) existing ordinary share in the Company.

LIST OF LANDED PROPERTIES

Location	Description/ Existing Use	Approximate age of building (years)	Approximate land/built-up area	Tenure	Year of Acquisition	Net Book value at 31 Dec 2020 RM'000
Lot 7020, Mukim of Senai-Kulai, District of Johor Bahru, Johor	Factory building	30 years	4.0519 hectares	Freehold	1989	44,000
Lot 7022, Mukim of Senai-Kulai, District of Johor Bahru, Johor	Factory building and warehouse	21 years	4.04686 hectares	Freehold	1997	43,800
PTD 19564, Mukim Senai-Kulai, District of Johor Bahru, Johor	Double storey intermediate terrace house for hostel purposes	32 years	143 square meter	Freehold	1992	340
H.S.(D) 438320 PTD 95217 & H.S.(D) 438321 PTD 95218, Mukim of Senai-Kulai, District of Johor Bahru, Johor	Warehouse	14 years	19,461.3 square meter	Freehold	2005	21,600
Geran 225856 (Geran 26456) Lot 7019, Mukim of Senai-Kulai, District of Kulaijaya, Johor	Storage	N/A	4.0468 hectares	Freehold	2010	14,800
HSM No 2580, Lot PT 6599, Mukim Bachang, Daerah Melaka Tengah, Melaka	Marketing office	14 years	146 square meter	Leasehold 99 years expiring on 5 Nov 2105	2010	650
15 & 16, Jalan Tropika 1, Taman Tropika, 81000 Kulai, Johor	Marketing office cum showroom	10 years	328 square meter	Freehold	2011	1,570
1545, Jalan Lagenda 53, Taman Lagenda Putra, 81000 Kulai, Johor	Double storey intermediate terrace house for hostel purposes	10 years	153 square meter	Freehold	2011	470
1327, Jalan Lagenda 47, Taman Lagenda Putra, 81000 Kulai, Johor	Three storey shop office	12 years	156.1 square meter	Freehold	2013	740

ANALYSIS OF SHAREHOLDINGS

AS AT 12 MAY 2021

Total number of issued share	:	242,616,525
Class of Shares	:	Ordinary Shares
Voting Right	:	One (1) vote per Ordinary Share
Number of Shareholders	:	3,906

A. DISTRIBUTION OF SHAREHOLDERS AS AT 12 MAY 2021

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Shares
1 - 99	379	9.70	17,279	0.01
100 - 1,000	293	7.50	88,310	0.03
1,001 - 10,000	1,750	44.81	8,576,424	3.55
10,001 - 100,000	1,255	32.13	40,604,045	16.79
100,001 to less than 5% of issued shares	227	5.81	143,322,301	59.27
5% and above of issued shares	2	0.05	49,200,000	20.35
TOTAL	**3,906**	**100.00**	**241,808,359**	**100.00**

B. THIRTY LARGEST SECURITITES ACCOUNT HOLDERS AS AT 12 MAY 2021 (as shown in the Record of Depositors)

No.	Name	No. of Shares Held	% of Issued Shares#
1	GUNUNG RESOURCES SDN BHD	33,250,000	13.75
2	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TECHBASE SOLUTION SDN BHD*	15,950,000	6.60
3	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LIM LEE WHENG (MY3324)*	8,242,166	3.41
4	TRADGP ENTERPRISES SDN BHD	7,485,693	3.10
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR AU YEE BOON*	7,315,833	3.03
6	KENANGA NOMINEES (TEMPATAN) SDN BHD *RAKUTEN TRADE SDN BHD FOR CHAI CHOI HONG*	5,970,166	2.47
7	KENANGA NOMINEES (TEMPATAN) SDN BHD *RAKUTEN TRADE SDN BHD FOR KHOR CHONG YAK*	5,884,400	2.43
8	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHIAU HAW CHOON*	4,300,000	1.78
9	WI KIM SWEE	4,232,166	1.75
10	CIMB GROUP NOMINEES (ASING) SDN. BHD. *EXEMPT AN FOR DBS BANK LTD (SFS)*	3,889,066	1.61
11	KONG LEK CHAI @ KONG AH LIM	3,879,900	1.60
12	PERCETAKAN SANWA INDUSTRIES SDN.BHD.	3,804,000	1.57
13	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR AU YEE BOON*	3,000,000	1.24

ANALYSIS OF SHAREHOLDINGS

AS AT 12 MAY 2021 CONT'D

B. THIRTY LARGEST SECURITITES ACCOUNT HOLDERS AS AT 12 MAY 2021 (as shown in the Record of Depositors) (cont'd)

No.	Name	No. of Shares Held	% of Issued Shares#
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG TEIK*	2,905,000	1.20
15	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR AU YEE BOON (SMART)*	2,800,000	1.16
16	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK*	2,297,499	0.95
17	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG TEIK*	2,216,666	0.92
18	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG TEIK*	1,833,333	0.76
19	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI*	1,808,500	0.75
20	LEE CHEE HOE	1,630,000	0.67
21	KENANGA NOMINEES (ASING) SDN BHD *EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)*	1,622,666	0.67
22	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR THIEN CHIET CHAI*	1,619,666	0.67
23	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR THIEN CHIET CHAI (MY2529)*	1,618,000	0.67
24	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR THIEN CHIET CHAI*	1,618,000	0.67
25	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR RESERVOIR LINK HOLDINGS SDN BHD*	1,618,000	0.67
26	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR WAN HASSAN BIN MOHD JAMIL*	1,618,000	0.67
27	HLIB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YAP KOK WENG*	1,381,666	0.57
28	LEE POH HIN	1,356,666	0.56
29	TAN KOK KIN	1,339,000	0.55
30	TAN SUONG CHAI	1,250,000	0.55
TOTAL		**137,736,052**	**57.00**

Note:

\# *The percentage of issued shares is computed based on the total number of issued shares (242,616,525 ordinary shares) net of total accumulated 808,166 treasury shares held by the Company as at 12 May 2021*

ANALYSIS OF SHAREHOLDINGS
AS AT 12 MAY 2021 CONT'D

C. SUBSTANTIAL SHAREHOLDERS AS AT 12 MAY 2021

No	Name	No. of Shares Held Direct	Deemed	% of Issued Shares#
1	Lim Lee Wheng	8,242,166	29,065,833 (a)	15.43
2	Au Yee Boon	13,115,833	24,192,166 (b)	15.43
3	Techbase Solution Sdn Bhd	15,950,000	-	6.60
4	Gunung Resources Sdn Bhd	33,250,000	-	13.75

D. DIRECTORS' INTEREST IN SHARES AS AT 12 MAY 2021

No	Name	No. of Shares Held Direct	Deemed	% of Issued Shares#
1	Tan Sri Dato' Sri Dr. Ali Bin Hamsa	-	-	-
2	Au Yee Boon	13,115,833	24,192,166 (b)	15.43
3	Lee Boon Siong	829,666	-	0.34
4	Tan Yik Huang	1,399,999	-	0.58
5	Dato' Sri Gan Chow Tee	-	-	-

\# *The percentage of issued shares is computed based on the total number of issued shares (242,616,525 ordinary shares) net of total accumulated 808,166 treasury shares held by the Company as at 12 May 2021*

Notes:

(a) *Deemed interest through the shareholdings of her spouse, Au Yee Boon's interest in the Company and by virtue of his interest in Techbase Solution Sdn Bhd.*

(b) *Deemed interest through the shareholdings of his spouse, Lim Lee Wheng's interest in the Company and by virtue of his interest in Techbase Solution Sdn Bhd.*

SHARE BUY-BACK STATEMENT

IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' APPROVAL FOR SHARE BUY-BACK BY THE COMPANY ("PROPOSED SHARE BUY-BACK")

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 prior to its issuance as it is an exempt statement. Bursa Securities takes no responsibility for the contents of this statement, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Share Buy-Back Statement.

2. INTRODUCTION

At the Annual General Meeting of YB Ventures Berhad (Formerly Known As Yi-Lai Berhad) ("YB Venture" or "the Company") held on 25 August 2020, YB Venture obtained the renewal of shareholders' approval for the Company to purchase and/or hold up to ten percent (10%) of the total issued and paid- up share capital of the Company through Bursa Securities. Pursuant to the Listing Requirements of the Bursa Securities, this approval will expire at the conclusion of the forthcoming Twenty-First Annual General Meeting ("21st AGM").

On 24 May 2021, YB Venture announced its intention to seek renewal of shareholders' approval for the Proposed Share Buy-Back at the forthcoming 21st AGM.

The purpose of this Statement is to provide you with the relevant information on the Proposed Share Buy-Back and to seek the renewal of your approval for the Proposed Share Buy-Back by your approval of the ordinary resolution to be tabled at the forthcoming 21st AGM.

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

There was no YB Venture Shares purchased by the Company and held as Treasury Shares for the previous twelve (12) months preceding the date of this Statement, i.e. up to and including 12 May 2021. All the YB Venture Shares purchased have been retained as treasury shares, and the total number of YB Venture Shares retained as Treasury Shares as at 12 May 2021 was 808,616. There was no re-sale of Treasury Shares or cancellation of shares during the financial year ended 31 December 2020 and up to 12 May 2021.

During the financial year ended 31 December 2020 and up to 12 May 2021, the Company has purchased a total of 312,100 YB Venture shares and further information on the YB Venture Shares purchased is set out in Other Information – Share Buy- Back on page 39 of this Annual Report.

4. PROPOSED RENEWAL OF APPROVAL FOR SHARE BUY-BACK

As at 12 May 2021, the total issued and paid-up share capital of YB Venture is RM93,692,416 comprising 242,616,525 ordinary shares. The maximum number of YB Venture Shares which may be purchased by the Company will be ten percent (10%) of the existing issued and paid-up share capital of the Company or 24,261,652 YB VentureShares.

The Board of Directors of YB Venture proposes to seek the renewal of approval from the shareholders of YB Venture to purchase, hold, cancel, distribute or resell up to a maximum of ten percent (10%) of the issued and paid-up share capital of YB Venture or the equivalent of 24,261,652 ordinary shares as at 12 May 2021 through the Bursa Securities subject to the compliance with the Listing Requirements and any other relevant authorities and upon such terms and conditions that in the opinion of the Directors will be in the interest of the Company.

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

i. the conclusion of the next Annual General Meeting of the Company at which time it shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

SHARE BUY-BACK STATEMENT

IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' APPROVAL FOR SHARE BUY-BACK BY THE COMPANY ("PROPOSED SHARE BUY-BACK") CONT'D

4. PROPOSED RENEWAL OF APPROVAL FOR SHARE BUY-BACK cont'd

ii. the expiration of the period within which the next Annual General Meeting after that is required by law to be held; or

iii. revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting; whichever is the earliest.

5. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back will enable YB Venture to utilise any of its surplus financial resources to purchase its own shares from the market. It may stabilise the supply and demand of its shares traded on the Main Market of Bursa Securities and thereby support its fundamental value. Further, this is expected to enhance shareholder value in the event that such purchased shares are cancelled as the resultant reduction in the issued and paid-up share capital of YB Venture is expected to increase the earnings per share ("EPS"), thereby making the shares more attractive to investors.

In addition, the purchased shares may be held as Treasury Shares and distributed to shareholders as dividend and/or resold in the open market with the intention of realising a potential capital appreciation on the shares without affecting the total issued and paid-up share capital of the Company.

6. QUANTUM AND FUNDING

The actual number of YB Venture Shares which may be purchased and the timing of the purchase(s) will depend on, inter-alia, market conditions, the availability of retained profits and financial resources of the Company as well as Bursa Securities requirement to maintain the necessary shareholding spread and minimum issued and paid-up share capital.

Pursuant to the Listing Requirements, we will purchase YB Venture Shares entirely out of our retained profits. Therefore, the Board proposes that the maximum amount of funds to be used for any purchase of our own shares will not exceed the aggregate of our reserves.

The audited retained profits of the Company as at 31 December 2020 are RM7,775,086. Based on the latest unaudited management accounts as at 30 April 2021, the retained profits of the Company amounted to approximately RM7,301,687.

The Proposed Share Buy-Back will be financed through internally generated funds and/or borrowings and shall be made out of the retained profits account of the Company. In the event the purchase is funded by borrowings, the Company expects that it will be capable of repaying such borrowings and that such funding is not expected to have any material effect on the cash flow of the Company.

The Proposed Share Buy-Back will reduce the cash of the Company by an amount dependent on the purchase price of the YB Venture Shares and the actual number of YB Venture Shares bought back.

Pricing

YB Venture 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 YB Venture 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 Companies Act 2016, if so determined by the Board, at a price that is:-

(a) not less than the WAMP of YB Venture Shares for the past five (5) market days immediately preceding the date of the resale or transfer; or

(b) at a discount of not more than five percent (5%) to the five (5) market days WAMP of YB Venture 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.

SHARE BUY-BACK STATEMENT

IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' APPROVAL FOR SHARE BUY-BACK BY THE COMPANY ("PROPOSED SHARE BUY-BACK") CONT'D

6. QUANTUM AND FUNDING cont'd

Pricing cont'd

The monthly highest and lowest prices of YB Venture Shares as traded on Bursa Securities for the preceding twelve (12) months from May 2020 to April 2021 are as follows:-

Month	Share price	
2020	**High (RM)**	**Low (RM)**
May	0.507	0.270
June	0.628	0.462
July	0.648	0.510
August	0.654	0.531
September	0.591	0.510
October	0.591	0.516
November	0.564	0.504
December	0.636	0.513
2021		
January	0.630	0.510
February	0.786	0.534
March	0.714	0.564
April	0.665	0.575

The last transacted price of the shares on 12 May 2021, being the latest practicable date prior to the printing of this statement is RM0.595.

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

The financial resources of YB Venture 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 Share Buy-Back are outlined in item 5 of this Statement.

However, the Proposed Share Buy-Back, 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 Directors will be mindful of the interests of YB Venture and its shareholders in implementing the Proposed Share Buy-Back.

8. EFFECT OF THE PROPOSED SHARE BUY-BACK

8.1 Share Capital

Assuming the Proposed Share Buy-Back is carried out up to 10% of the existing issued and paid-up share capital of YB Venture of 242,616,525 ordinary shares as at 12 May 2021, the number of YB Venture Shares allowed to be purchased by the Company is 24,261,652 shares.

SHARE BUY-BACK STATEMENT

IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' APPROVAL FOR SHARE BUY-BACK BY THE COMPANY ("PROPOSED SHARE BUY-BACK") CONT'D

8. EFFECT OF THE PROPOSED SHARE BUY-BACK cont'd

8.1 Share Capital cont'd

In the event that all the shares purchased are to be cancelled, the effect of the Proposed Share Buy-Back on the issued and paid-up share capital of the Company would be as follows:

	No. of Ordinary Shares
Issued and paid-up share capital as at 12 May 2021#	242,616,525
Upon completion of the Proposed Share Buy-Back* (assuming all cancelled)	(24,261,652)
Reduced share capital after the Proposed Share Buy-Back	218,354,873

The issued and paid-up ordinary share capital stated above is inclusive of the 808,616 treasury shares held by the Company as at 12 May 2021.

* *Assuming the Company purchased up to the maximum number of YB Venture Shares that may be purchased pursuant to the Proposed Share Buy-Back i.e. 10% of the existing issued and paid-up share capital of the Company.*

However, the Proposed Share Buy-Back is not expected to have any effect on the issued and paid-up share capital if all the shares purchased are to be retained as Treasury Shares, resold or distributed to our shareholders.

8.2 Net Assets ("NA")

If the purchased shares are kept as Treasury Shares, the NA per share would 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 YB Venture 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 YB Venture 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 YB Venture Group will decrease by the cost of the Treasury Shares.

8.3 Working Capital

The Proposed Share Buy-Back is likely to reduce the working capital of the Group, the quantum of which will depend on the actual purchase price and number of shares to be bought back.

8.4 Cashflow

The Proposed Share Buy-Back is not expected to be implemented to the extent that it will adversely affect the cashflow of the Company. The exact effect on the cashflow of the Company will depend on the quantum and price at which the shares are bought back.

8.5 Earnings

The effects of the Proposed Share Buy-Back on the earnings of our Group are dependent on the purchase prices of YB Venture Shares and the effective funding cost or loss in interest income to our Group.

Assuming that the YB Venture 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.

SHARE BUY-BACK STATEMENT

IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' APPROVAL FOR SHARE BUY-BACK BY THE COMPANY ("PROPOSED SHARE BUY-BACK") CONT'D

8. EFFECT OF THE PROPOSED SHARE BUY-BACK cont'd

8.5 Earnings cont'd

If the YB Venture Shares so purchased are cancelled, the Proposed Share Buy-Back will increase the EPS of our Group provided the income foregone and if any, interest expense incurred on the shares purchased are less than the consolidated EPS before the Proposed Share Buy-Back.

8.6 Directors' and Substantial Shareholders' Shareholdings

(i) Directors

Assuming that the Proposed Share Buy-Back is implemented in full and that the YB Venture Shares are purchased from shareholders other than our Directors and existing substantial shareholders of the Company, the proforma effects of the Proposed Share Buy-Back on the shareholdings of the Directors and Persons Connected to the Directors of YB Venture as at 12 May 2021, being the most practicable date prior to the printing of this Statement, are set out as follows:

	As at 12 May 2021				After full exercise of Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of Shares	%	No. of shares	%#	No. of Shares	%#
Directors								
Tan Sri Dato' Sri Dr. Ali Bin Hamsa	-	-	-	-	-	-	-	-
Au Yee Boon [(a)]	13,115,833	5.42	24,192,166	10.01	13,115,833	6.01	24,192,166	11.08
Lee Boon Siong	829,666	0.34	-	-	829,666	0.38	-	-
Tan Yik Huang	1,399,999	0.58	-	-	1,399,999	0.64		
Dato' Sri Gan Chow Tee	-	-	-	-	-	-	-	-

Notes :

\# *Percentage computed based on the total number of shares in issue of 242,616,525 and after assuming the deduction of a total of 24,261,652 (being the maximum shares that may be bought back i.e. 10% of the total number of shares issued) shares bought back and retained as treasury shares as at 12 May 2021.*

(a) *Deemed interest through the shareholdings of his spouse, Lim Lee Wheng's interest in the Company and by virtue of his interest in Techbase Solution Sdn Bhd.*

SHARE BUY-BACK STATEMENT

IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' APPROVAL FOR SHARE BUY-BACK BY THE COMPANY ("PROPOSED SHARE BUY-BACK") CONT'D

8. EFFECT OF THE PROPOSED SHARE BUY-BACK cont'd

8.6 Directors' and Substantial Shareholders' Shareholdings cont'd

(ii) Substantial Shareholders

Assuming that the Proposed Share Buy-Back is implemented in full and that the YB Venture Shares are purchased from shareholders other than our existing substantial shareholders, the proforma effects of the Proposed Share Buy-Back on the shareholdings of the substantial shareholders and Persons Connected to the substantial shareholders of YB Venture as at 12 May 2021, being the most practicable date prior to the printing of this Statement, are set out as follows :

	As at 12 May 2021				After full exercise of Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of Shares	%	No. of shares	%#	No. of Shares	%#
Substantial Shareholders								
Lim Lee Wheng [(a)]	8,242,166	3.41	29,065,833	12.01	8,242,166	3.77	29,065,833	13.31
Au Yee Boon [(b)]	13,115,833	5.42	24,192,166	10.01	13,115,833	6.01	24,192,166	11.08
Techbase Solution Sdn Bhd	15,950,000	6.60	-	-	15,950,000	7.30	-	-
Gunung Resources Sdn Bhd	33,250,000	13.75	-	-	33,250,000	15.23	-	-

Notes :

\# *Percentage computed based on the total number of shares in issue of 242,616,525 and after assuming the deduction of a total of 24,261,652 (being the maximum shares that may be bought back i.e. 10% of the total number of shares issued) shares bought back and retained as treasury shares as at 12 May 2021.*

(a) Deemed interest through the shareholdings of her spouse, Au Yee Boon's interest in the Company and by virtue of his interest in Techbase Solution Sdn Bhd.

(b) Deemed interest through the shareholdings of his spouse, Lim Lee Wheng's interest in the Company and by virtue of his interest in Techbase Solution Sdn Bhd.

8. PUBLIC SHAREHOLDING SPREAD

As at 12 May 2021, the public shareholding spread of the Company is 69.90%. The public shareholding spread would be reduced to approximately 66.67% assuming, the Proposed Share Buy-Back is implemented in full and all the shares purchased are from public shareholders and are either cancelled or held as Treasury Shares.

The Board is mindful of the public shareholding spread requirement and will continue to be mindful of the requirement when making any purchase of YB Venture Shares pursuant to the Proposed Share Buy-Back.

9. IMPLICATIONS RELATING TO THE CODE

The Board is mindful of any potential implications relating to Malaysian Code on Take-Over and Merger, 2016, as amended from time to time including any re-enactment thereof ("Code") and in the event that obligations relating to the Code is expected to be triggered as a result of the Proposed Renewal of Share Buy-Back, which is an action outside any group of persons acting in concert's direct participation, they will apply to the Securities Commission for an exemption from undertaking a take-over offer for all the remaining shares in YB Venture not already held by them under the Code.

SHARE BUY-BACK STATEMENT

IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' APPROVAL FOR SHARE BUY-BACK BY THE COMPANY ("PROPOSED SHARE BUY-BACK") CONT'D

10. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the inadvertent increase in the percentage shareholding and/or voting rights of the shareholders as a consequence of the Proposed Share Buy-Back, none of the Directors and substantial shareholders of the Company or persons connected to them has any interest, direct or indirect, in the Proposed Share Buy-Back.

11. DIRECTORS' RECOMMENDATION

The Directors, having considered all aspects of the Proposed Share Buy-Back, are of the opinion that the Proposed Share Buy-Back is in the best interest of the Company. Accordingly, they recommend that you vote in favour of the ordinary resolution for the Proposed Share Buy-Back to be tabled at the forthcoming 21st AGM.

12. 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 given and confirm that after making all reasonable enquiries and, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein false or misleading.

13. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the Company's Registered Office situated at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150, Shah Alam, Selangor 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 AGM:

(i) The Constitution of the Company; and

(ii) The audited consolidated financial statements of the Company for the past two financial year ended 31 December 2019 and 31 December 2020.

This Share Buy-Back Statement is dated 12 May 2021.

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-First ("21st") Annual General Meeting ("AGM") of the Company will be held and conducted by way of virtual meeting entirely through live streaming via a Remote Participation and Voting ("RPV") Facilities from the Broadcast Venue at 1st Floor, Meeting Room, Lot 8, Jalan 51A/241, Seksyen 51A, 46100 Petaling Jaya, Selangor on Wednesday, 30 June 2021 at 2.00 p.m.. for the transaction of the following businesses:

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon. ***Explanatory Note A***

2. To re-elect the following Director who retires in accordance with Clause 103 of the Constitution of the Company and being eligible, has offered himself for re-election:-

   a) Mr Lee Boon Siong ***Ordinary Resolution 1***

3. To re-elect the following Directors who retire in accordance with Clause 110 of the Constitution of the Company and being eligible, have offered themselves for re-election:-

   a) Tan Sri Dato' Sri Dr. Ali Bin Hamsa ***Ordinary Resolution 2***

   b) Mr Au Yee Boon ***Ordinary Resolution 3***

   c) Mr Tan Eik Huang ***Ordinary Resolution 4***

   d) Dato' Sri Gan Chow Tee ***Ordinary Resolution 5***

4. To approve the payment of Directors' fees and other benefits payable totaling RM260,000 for the period from 21st AGM until the next AGM of the Company to be held in 2022. ***Ordinary Resolution 6***

5. To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 7***

Special Business

To consider and if thought fit, to pass with or without modifications the following resolutions:-

6. **Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act, 2016** ***Ordinary Resolution 8***

   "THAT subject to the Companies Act, 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Additional Temporary Relief Measures to Listed Corporations for Covid-19, issued by Bursa Securities on 16 April 2020 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time ("20% General Mandate");

   AND THAT the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued pursuant to the 20% General Mandate on Bursa Securities; AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company"

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING
CONT'D

7 **Proposed Renewal of Share Buy-Back Authority for the Purchase of its Own Ordinary Shares ("Proposed Share Buy-Back Authority")** ***Ordinary Resolution 9***

"THAT subject to the compliance with Section 127 of the Act and all other applicable laws, rules and regulations, 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 Annual Report.

AND 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.

AND 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. 201908002253)
THIEN LEE MEE (LS0009760/ SSM PC NO. 201908002254)
Company Secretaries

Selangor Darul Ehsan

Date: 31 May 2021

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING
CONT'D

Notes:-

1. Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at this virtual AGM using RPV Facilities provided by Agmo Digital Solutions Sdn Bhd via its Vote2U online website at https://web.vote2u.app.
2. A member of the Company entitled to participate, speak and vote at the meeting is entitled to appoint not more than two (2) proxies to participate, speak and vote in his/ her stead. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
4. Where a member or authorised nominee appoints two (2) proxies, or when an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/ her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or the hand of an office or attorney duly authorised.
6. The form of proxy must be deposited at the Registered Office of YB Ventures Berhad situated at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof.
7. Only members registered in the Record of Depositors as at 23 June 2021 shall be eligible to participate, speak and vote at the meeting or appoint a proxy to participate, speak and/ or vote on his/ her behalf.

<u>Explanatory Notes:</u>

a. The Audited Financial Statements laid at this meeting pursuant to Section 340(1)(a) of the Companies Act, 2016 are meant for discussion only. It does not require shareholders' approval, and therefore, it shall not be put forward for voting.

b. Ordinary Resolution 8: Authority to Directors to Allot and Issue Shares

Bursa Securities has via its letter dated 16 April 2020 granted several additional temporary relief measures to listed corporations, amongst others, an increase in general mandate limit for new issues of securities to not more than 20% of the total number of issued shares of the Company for the time being ("20% General Mandate"). Pursuant to the 20% General Mandate, Bursa Securities has also mandated that the 20% General Mandate may be utilised by a listed corporation to issue new securities until 31 December 2021 ("Extended Utilisation Period") and thereafter, the 10% general mandate will be reinstated.

Having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group, the Board would like to procure approval for the 20% General Mandate, inclusive of the Extended Utilisation Period, pursuant to Section 76(4) of the Act, from its shareholders at the forthcoming Second (2nd) AGM of the Company.

The purpose to seek the 20% General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting merely for such purpose. The 20% General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding its business plans, future investment project(s), working capital and/or acquisitions.

The 20% General Mandate, unless revoked or varied by the Company in general meeting, will expire at the end of the Extended Utilisation Period, i.e. by 31 December 2021.

The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders.

c. Ordinary Resolution 9: Proposed Renewal of Share Buy-Back Authority for the Purchase of its Own Ordinary Shares

The proposed Ordinary Resolution 9, if passed, will empowers the Company to purchase its own ordinary shares of up to 10% of the total issued share capital of the Company for the time being by utilising the funds allocated out of the retained profits of the Company. 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 which the next AGM after that date is required by the law to be held, whichever occurs first.

This page is intentionally left blank

YB VENTURES BERHAD
(Formerly Known As Yi-Lai Berhad)
[Registration No. 200001013437 (516043-K)]

PROXY FORM

No. of shares held	CDS Account No.

I/We ____ NRIC/Company No. ____________________
(FULL NAME IN BLOCK LETTERS)

of ____

MobileNo. ______________________________ and # email address ______________________________

being a member/members of YB VENTURES BERHAD (Formerly Known As Yi-Lai Berhad) ("Company"), hereby appoint:

Full Name (IN BLOCK LETTERS)	NRIC /Passport No.	% of shareholdings
# Mobile No.	**# Email Address**	
Address:		

*and/or

Full Name (IN BLOCK LETTERS)	NRIC /Passport No.	% of shareholdings
# Mobile No.	**# Email Address**	
Address:		

 # You are required to fill in the Mobile no. and email address in order to participate the Twenty-First ("21st") Annual General Meeting ("AGM"), otherwise, we are unable to register you as the participant of the meeting.

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us on my/our behalf at the 21st AGM of the Company will be held and conducted by way of virtual meeting entirely through live streaming via a Remote Participation and Voting ("RPV") Facilities from the Broadcast Venue at 1st Floor, Meeting Room, Lot 8, Jalan 51A/241, Seksyen 51A, 46100 Petaling Jaya, Selangor on Wednesday, 30 June 2021 at 2.00 p.m. and any adjournment thereof, in the manners as indicated below:

NO.	RESOLUTIONS	FOR	AGAINST
1.	To re-elect Mr Lee Boon Siong who retires pursuant to Clause 103 of the Company's Constitution.		
2.	To re-elect Tan Sri Dato' Sri Dr. Ali Bin Hamsa who retires pursuant to Clause 110 of the Company's Constitution.		
3.	To re-elect Mr Au Yee Boon who retires pursuant to Clause 110 of the Company's Constitution.		
4.	To re-elect Mr Tan Eik Huang who retires pursuant to Clause 110 of the Company's Constitution.		
5.	To re-elect Dato' Sri Gan Chow Tee who retires pursuant to Clause 110 of the Company's Constitution.		
6.	To approve the payment of Directors' fees and other benefits payable totaling RM260,000 for the period from 21st AGM until the next AGM of the Company.		
7.	To re-appoint Messrs Grant Thornton Malaysia PLT, as the Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration.		
8.	Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016.		
9.	Proposed Renewal of Share Buy-Back Authority for the Purchase of its Own Ordinary Shares		

Please indicate with an "X" or "√" in the spaces provided above as to how you wish your votes to be cast. If no specific direction as to voting is given, your proxy will vote or abstain from voting at his/her discretion.

Dated this _______ day of __________________, 2021

____
Signature / Common Seal of Shareholder

Notes:-
1. Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at this virtual AGM using RPV Facilities provided by Agmo Digital Solutions Sdn Bhd via its Vote2U online website at https://web.vote2u.app.
2. A member of the Company entitled to participate, speak and vote at the meeting is entitled to appoint not more than two (2) proxies to participate, speak and vote in his/ her stead. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
4. Where a member or authorised nominee appoints two (2) proxies, or when an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/ her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or the hand of an office or attorney duly authorised.
6. The form of proxy must be deposited at the Registered Office of YB Ventures Berhad situated at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof.
7. Only members registered in the Record of Depositors as at 23 June 2021 shall be eligible to participate, speak and vote at the meeting or appoint a proxy to participate, speak and/ or vote on his/ her behalf.

Fold this flap for sealing

2nd Fold here

STAMP

THE COMPANY SECRETARY
YB VENTURES BERHAD
(Formerly Known As Yi-Lai Berhad)
[Registration No. 200001013437 (516043-K)]
Level 5, Block B, Dataran PHB
Saujana Resort, Section U2
40150, Shah Alam
Selangor, Malaysia

1st Fold here

TECHBASE
SOLUTION

BUSINESS SCOPE

TechBase Solution Sdn. Bhd. provides its clients with a focused service that help them improve their business by leveraging today's latest IT technologies and business solutions. Our business scope focus mainly in MLM (Multi-Level-Marketing) Software Solution.

MSC MALAYSIA

SMS
(SALES MANAGEMENT SYSTEM)

- Stockist Report Management
- SMS Module
- Shipping Module
- Inventory Module
- Multi-Site Module
- Online Sales Module
- System Configuration
- E-Commerce Module

TechBase Solution Sdn. Bhd.

WHEN AND WHERE YOU NEED IT.

HEAD QUARTER

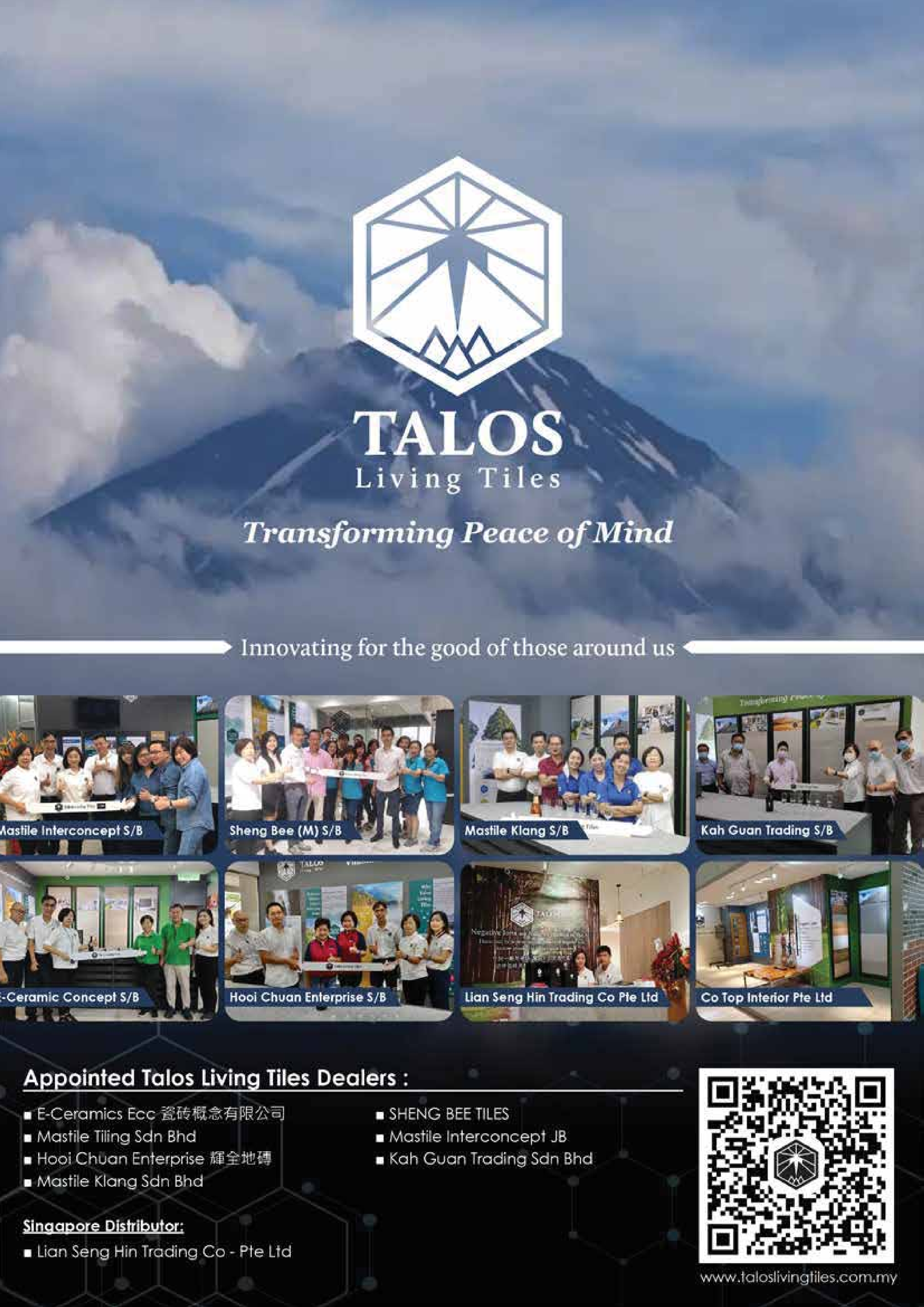
B-20-3, Northpoint Offices, Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur, West Malaysia.

PERAK OFFICE

71B, Medan Ipoh 1A, Medan Ipoh Bistari,
31400 Ipoh, Perak, West Malaysia
West Malaysia.

Sales Hotline : 1700-815-817

SCAN ME!


TALOS
Living Tiles
Transforming Peace of Mind
Innovating for the good of those around us
Mastile Interconcept S/B
Sheng Bee (M) S/B
Mastile Klang S/B
Kah Guan Trading S/B
E-Ceramic Concept S/B
Hooi Chuan Enterprise S/B
Lian Seng Hin Trading Co Pte Ltd
Co Top Interior Pte Ltd
Appointed Talos Living Tiles Dealers :
E-Ceramics Ecc 瓷砖概念有限公司
Mastile Tiling Sdn Bhd
Hooi Chuan Enterprise 輝全地磚
Mastile Klang Sdn Bhd
SHENG BEE TILES
Mastile Interconcept JB
Kah Guan Trading Sdn Bhd
Singapore Distributor:
Lian Seng Hin Trading Co - Pte Ltd
www.taloslivingtiles.com.my

YB VENTURES BERHAD

ALPHA TILES® STYLISH LIVING

TALOS Living Tiles