YLI HOLDINGS BERHAD
199501038047 (367249-A)

2021 ANNUAL REPORT

DIVERSIFICATION & EXPANSION

26th

Annual General Meeting ("AGM") of
YLI Holdings Berhad

Tuesday,
14 September 2021

FULLY VIRTUAL basis through live streaming and online remote voting via Remote Participation and Voting facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at https://tiih.online.

11:00 a.m.

OUR VISION

To be a pre-eminent group in providing products and services to the water supply and sewarage industry, thus contributing effectively towards building the nation.

OUR MISSION

By constantly enhancing our capabilities in manufacturing and services, we intend to be the leading player in the rapidly growing water and sewerage sectors within the Asian region.
We will continue to look for opportunities to further enhance Shareholders' value.

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SECTION I

THE COMPANY

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Haji Samsuri Bin Rahmat
Non-Independent Non-Executive Chairman

Seah Heng Chin
Group Managing Director

Tan Sri Dato' Academician Ir (Dr) Ahmad Zaidee Bin Laidin
Independent Non-Executive Director

Dr Abdul Latif Bin Shaikh Mohamed
Independent Non-Executive Director

Datuk Haji Jalaludin Bin Haji Ibrahim
Independent Non-Executive Director

BOARD COMMITTEES

Audit Committee

Dr Abdul Latif Bin Shaikh Mohamed - *Chairman*
Tan Sri Dato' Academician Ir (Dr) Ahmad Zaidee Bin Laidin
Datuk Haji Jalaludin Bin Haji Ibrahim

Nomination Committee

Tan Sri Dato' Academician Ir (Dr) Ahmad Zaidee Bin Laidin - *Chairman*
Datuk Haji Jalaludin Bin Haji Ibrahim
Dr Abdul Latif Bin Shaikh Mohamed

Remuneration Committee

Datuk Haji Jalaludin Bin Haji Ibrahim - *Chairman*
Tan Sri Dato' Academician Ir (Dr) Ahmad Zaidee Bin Laidin
Dr Abdul Latif Bin Shaikh Mohamed

REGISTERED OFFICE

45, Lorong Rahim Kajai 13
Taman Tun Dr Ismail
60000 Kuala Lumpur, Malaysia
Tel : +60 (3) 7722 2296
Fax : +60 (3) 7722 2057

COMPANY SECRETARIES

Chew Siew Cheng
MAICSA 7019191
SSM PC NO. 202008001179

AUDITORS

Baker Tilly Monteiro Heng PLT
Chartered Accountants
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur, Malaysia
Tel : +60 (3) 2297 1000
Fax : +60 (3) 2282 9980

SHARE REGISTRAR

Plantation Agencies Sdn Berhad
3rd Floor, 2 Lebuh Pantai
10300 Georgetown,
Penang, Malaysia
Tel : +60 (4) 262 5333
Fax : +60 (4) 262 2018

PRINCIPAL BANKERS

AmBank (M) Berhad
AmInvestment Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

The Main Market of Bursa Malaysia Securities Berhad
Sector : Industrial Products and Services
Stock Name : YLI
Stock Code : 7014

CORPORATE STRUCTURE

YLI HOLDINGS BERHAD
199501038047 (367249-A)

100%

- YEW LEAN FOUNDRY & CO. SDN. BHD.
  197601002136 (28131-K)
  - 100% ZENITH EASTERN (M) SDN. BHD.
    198901008998 (186299-T)
- YEW LEAN INDUSTRIES SDN. BHD.
  199301016469 (271209-W)
- LOGAM UTARA (M) SDN. BHD.
  198801003097 (170454-P)
- YEW LI FOUNDRY & CO. SDN. BHD.
  197901006108 (50391-V)

70%

- HALUAN PRISMA SDN. BHD.
  199601004555 (376901-W)
- MRPI PIPES SDN. BHD.
  197801003263 (40279-V)

51%

- LAKSANA WIBAWA SDN. BHD.
  199601027502 (399854-W)

FINANCIAL TRACK RECORD

	FINANCIAL YEAR ENDED 31 MARCH	
	2021 RM'000	2020 RM'000
Revenue	**103,174**	97,120
(Loss)/Profit Before Taxation	**(1,088)**	(10,349)
(Loss)/Profit After Taxation Attributed to Shareholders	**(239)**	(7,837)
Shareholders' Funds	**121,236**	121,475
Total Asset Employed	**198,095**	200,357
(Loss)/Profit After Taxation as a Percentage of Shareholders' Fund (%)	**(0.20)**	(6.45)
Basic/Diluted Loss Per Share (sen)	**(0.23)**	(7.62)
Net Assets Per Share (RM)	**1.18**	1.18
No. of Shares in Issue (Net of Treasury Shares)	**102,830**	102,830

OUR PERFORMANCE

			2021 RM'000	2020 RM'000	% CHANGE
INCOME STATEMENT	Revenue		**103,174**	97,120	6.23
	Loss Before Taxation		**(1,088)**	(10,349)	(89.49)
	Loss After Taxation Attributed to Shareholders		**(239)**	(7,837)	(96.95)
BALANCE SHEET	Shareholders' Funds		**121,236**	121,475	(0.20)
	Total Assets Employed		**198,095**	200,357	(1.13)
RATIOS	Current Ratio	times	**1.42**	1.41	0.71
	Return on Equity	%	**(0.20)**	(6.45)	(96.90)
	Return on Total Assets	%	**(0.12)**	(3.91)	(96.93)
	Financial Leverage Ratio	times	**0.38**	0.38	(0.00)
	Basic/Diluted Loss Per Share	sen	**(0.23)**	(7.62)	(96.98)
	Net Tangible Asset Per Share	RM	**1.18**	1.18	(0.00)
	Closing Price for 31 March	RM	**0.360**	0.190	89.47

BOARD OF DIRECTORS

DR ABDUL LATIF BIN SHAIKH MOHAMED

Independent Non-Executive Director

TAN SRI DATO' ACADEMICIAN IR (DR) AHMAD ZAIDEE BIN LAIDIN

Independent Non-Executive Director

DATO' HAJI SAMSURI BIN RAHMAT

Non-Independent Non-Executive Chairman

SEAH HENG CHIN

Group Managing Director Non-Independent Executive Director

DATUK HAJI JALALUDIN BIN HAJI IBRAHIM

Independent Non-Executive Director

OUR LEADERSHIP
BOARD OF DIRECTORS

DATO' HAJI SAMSURI BIN RAHMAT
Non-Independent Non-Executive Chairman

Board Committee Memberships: Nil

Academic & Professional Qualification / Date of Appointment / Working Experience:
Dato' Haji Samsuri Bin Rahmat was appointed as the Chairman of YLI Holdings Berhad on 3 January 2020. He was the Managing Director of the Company since 9 June 2008. Prior to joining the Company, he was the Executive Vice Chairman and also Executive Director of TRIplc Berhad. Currently, he also sits on the Board of various subsidiaries of the YLI Group.

He graduated with a Bachelor of Science (Hons) degree in Environmental Studies from University Putra Malaysia in 1980. He also holds a Master of Arts degree in Economics from Western Michigan University, the United States of America.

He had held various key positions in the Ministry of Science, Technology and Environment, Ministry of International Trade and Industry, Ministry of National and Rural Development, Socio-Economic Research Unit and Economic Planning Unit (both under the Prime Minister's Department) for sixteen years before joining the private sector in 1996.

Directorship(s):
- Listed Companies: Nil
- Other Public Companies: Nil

Family relationship with any director and/or major shareholder: Nil

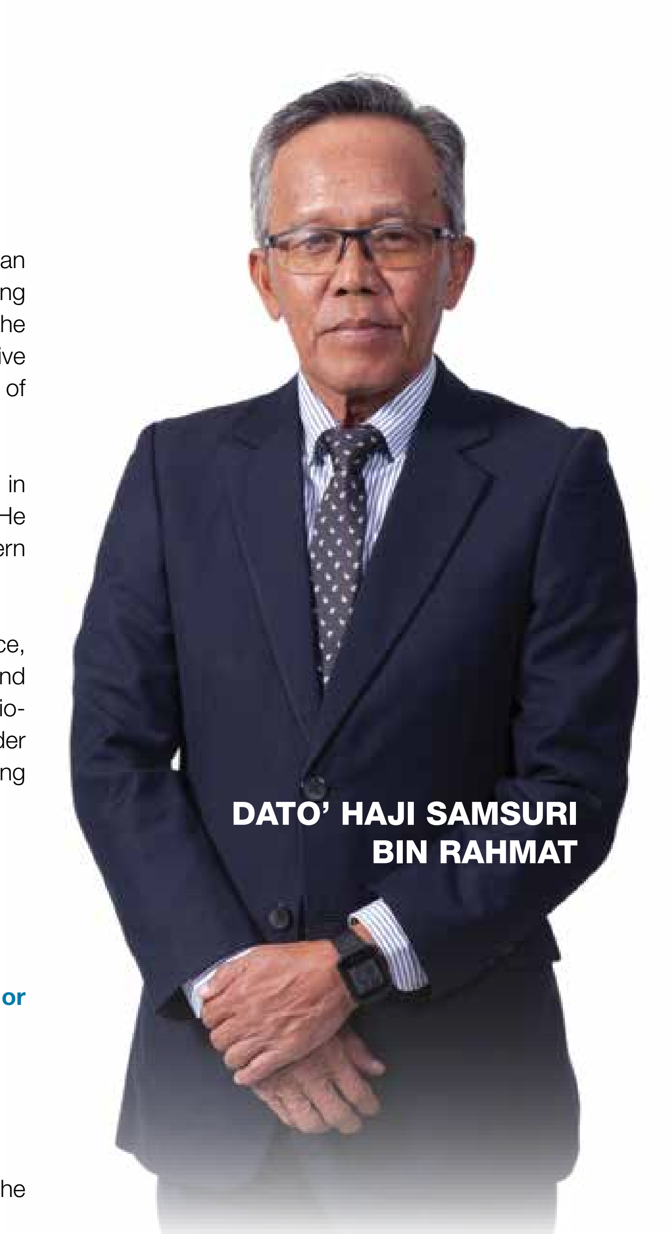
Conflict of Interest with the Company: Nil

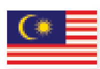
Board Meeting Attendance in 2021:
- He attended all five (5) Board Meetings held during the financial year ended 31 March 2021

Length of Service: 13 years 1 month (as at 15 July 2021)

Date of Last Re-election: 28 August 2019

List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any: Nil



Age:	Gender:	Nationality:
66	Male	

BOARD OF DIRECTORS

SEAH HENG CHIN
Group Managing Director
Non-Independent Executive Director

Board Committee Memberships: Nil

Academic & Professional Qualification / Date of Appointment / Working Experience:
Seah Heng Chin was appointed as the Group Managing Director of YLI Holdings Berhad on 3 January 2020. He was the Executive Director since 14 November 2014. Prior to his appointment as a Director, he has served as the Financial Controller in Yew Lean Foundry & Co. Sdn. Bhd., a wholly owned subsidiary of YLI Holdings Berhad since June 2008.

He has over twenty years of working experience in both accounting and audit related field in various industries. As the Group Managing Director, he is mainly responsible for the Group's strategic direction as well as its business and corporate development. He also sits on the Board of various subsidiaries of the YLI Group.

He graduated with a Bachelor of Art (Hons) Business Administration from Coventry University in 1997. He is a Fellow Member of Association of Chartered Accountants ("FCCA") and a Member of the Malaysian Institute of Accountants ("MIA"). He also holds a Master's degree in Business Administration from Strathclyde University, Scotland.

Directorship(s):
- Listed Companies: Nil
- Other Public Companies: Nil

Family relationship with any director and/or major shareholder: Nil

Conflict of Interest with the Company: Nil

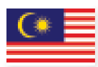
Board Meeting Attendance in 2021:
- He attended all five (5) Board Meetings held during the financial year ended 31 March 2021

Length of Service: 6 years 8 months (as at 15 July 2021)

Date of Last Re-election: 30 August 2018

List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any: Nil

Age: 47 | Gender: Male | Nationality:



BOARD OF DIRECTORS

TAN SRI DATO' ACADEMICIAN IR (DR) AHMAD ZAIDEE BIN LAIDIN
Independent Non-Executive Director

Board Committee Memberships:
- Nomination Committee (Chairman)
- Remuneration Committee (Member)
- Audit Committee (Member)

Academic & Professional Qualification / Date of Appointment / Working Experience:
Tan Sri Dato' Academician Ir (Dr) Ahmad Zaidee Bin Laidin was appointed to the Board on 24 February 2009.

He holds a Master of Science in Technological Economies (Management & Industrial Science), University of Stirling and is a registered Professional Engineer with the Board of Engineers Malaysia.

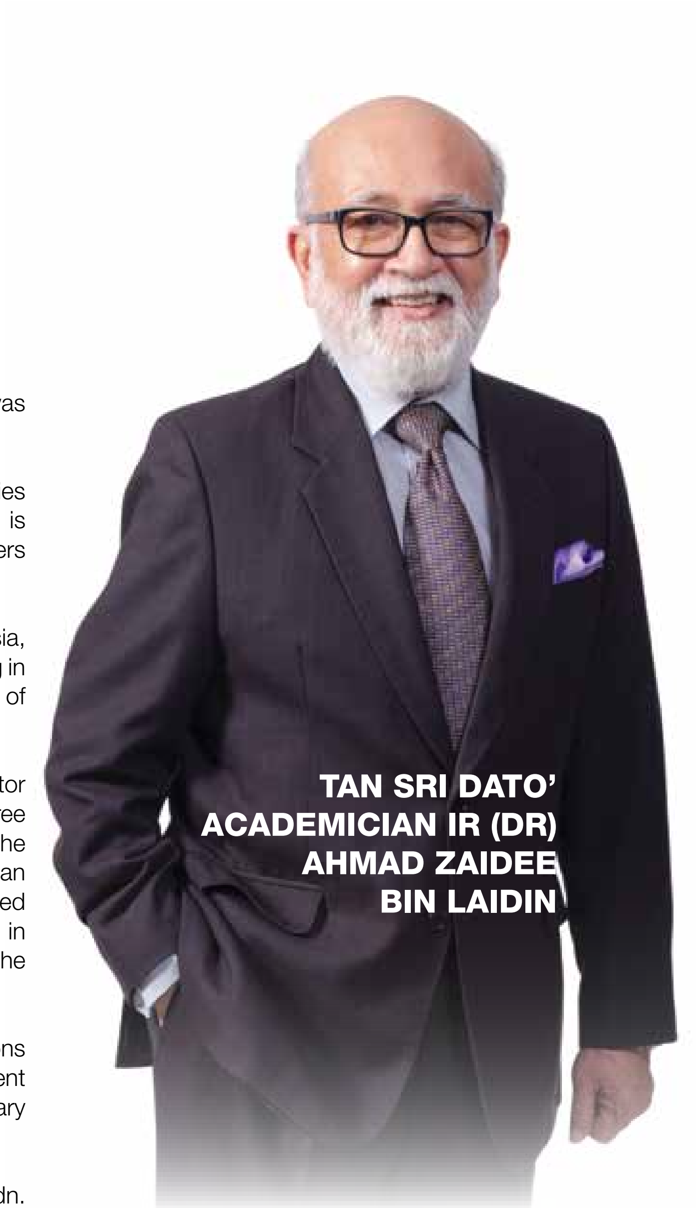
He is an Honorary Fellow of the Institution of Engineers, Malaysia, as well as Academy of Sciences Malaysia and is currently serving in the councils of both bodies. He was elected as a Senior Fellow of the Academy that entitled him to be called Academician.

From the United Kingdom, he was awarded the Degree of Doctor of the University by University of Stirling, the Honorary Degree of Doctor of Technology by Oxford Brookes University, and the Honorary Doctor of Letters by the Manchester Metropolitan University as well as Honorary Professor of Napier University, United Kingdom. From Malaysia, he received the Honorary Doctorate in Electrical Engineering given by Universiti Teknologi MARA and the Honorary Doctorate from Universiti Teknikal Malaysia Melaka.

He is the past President of the Federation of Engineering Institutions of Southeast Asia and the Pacific ("FEISEAP") and a past President of Institution of Engineers, Malaysia ("IEM") as well as the Honorary Fellow of the ASEAN Federation of Engineering Organizations.

He is currently a Board member of Universiti Tenaga Nasional Sdn. Bhd., and Chairman of ERINCO Sdn. Bhd. He was formerly a Board member of Syarikat Mengurus Air Banjir & Terowong Sdn. Bhd. ("SMART") until 30 June 2020, and President of Malaysia Board of Technologists until 17 November 2020.

Directorship(s):
- Listed Companies: Nil
- Other Public Companies: Nil



Age:	Gender:	Nationality:
78	Male	

Family relationship with any director and/or major shareholder: Nil

Conflict of Interest with the Company: Nil

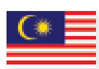
Board Meeting Attendance in 2021:
- He attended all five (5) Board Meetings held during the financial year ended 31 March 2021

Length of Service: 12 years 4 months (as at 15 July 2021)

Date of Last Re-election: 28 September 2020

List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any: Nil

BOARD **OF DIRECTORS**

Age: **62** | Gender: **Male** | Nationality: 

DR ABDUL LATIF BIN SHAIKH MOHAMED
Independent Non-Executive Director

Board Committee Memberships:
- Audit Committee (Chairman)
- Nomination Committee (Member)
- Remuneration Committee (Member)

Academic & Professional Qualification / Date of Appointment / Working Experience:
Dr Abdul Latif Bin Shaikh Mohamed was appointed to the Board on 20 November 2017.

He graduated with a Bachelor of Accounting (Honours) degree from Universiti Kebangsaan Malaysia in 1985, obtained his Master of Accountancy from University of Glasgow, Scotland in 1987 and his Doctor of Philosophy majoring in financial reporting from University of Manchester, England in 1995.

He started his career as an academia from 1985 until late 1999. From 1999 to early 2007, he ran a private consulting company.

From 2001 to 2007, Dr Abdul Latif Bin Shaikh Mohamed held position as an independent director in two public listed companies (U-Wood Holdings Berhad and WWE Holdings Berhad) that were involved in property development and design & build of sewage treatment plant. In March 2007, he was redesignated to Executive Director in WWE Holdings Berhad and was subsequently made the Chairman and Managing Director in 2010. He was primarily responsible for the management and operations of WWE Holdings Berhad respectively before his retirement in 2015.

Directorship(s):
- Listed Companies: Nil
- Other Public Companies: Nil

Family relationship with any director and/or major shareholder: Nil

Conflict of Interest with the Company: Nil

Board Meeting Attendance in 2021:
- He attended all five (5) Board Meetings held during the financial year ended 31 March 2021

Length of Service: 3 years 7 months (as at 15 July 2021)

Date of Last Re-election: 30 August 2018

List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any: Nil

BOARD OF DIRECTORS

DATUK HAJI JALALUDIN BIN HAJI IBRAHIM
Independent Non-Executive Director

Board Committee Memberships:
- Remuneration Committee (Chairman)
- Nomination Committee (Member)
- Audit Committee (Member)

Academic & Professional Qualification / Date of Appointment / Working Experience:
Datuk Haji Jalaludin Bin Haji Ibrahim was appointed to the Board on 3 January 2020.

He graduated with a Bachelor of Science (Hons) degree in Physics from Universiti Malaya. He also holds a Master of Business Administration degree from Ohio University, the United States of America, a Post Graduate Diploma in Forensic Science from King's College London, United Kingdom and a Post Graduate Diploma in Forensic Science from University of Strathclyde Glasgow, United Kingdom.

He has 33 years of illustrious working experience in the Royal Malaysian Police. He joined the Malaysian police force in 1984 and had since held many key positions including Senior Lecturer in Forensic Science CID Department, Head of Criminal Investigation Officer of Police District Brickfield, Officer In-Charge of Police District Ipoh ("OCPD"), Head of Counter Terrorism Unit in Royal Malaysian Police, and Assistant Director of Special Branch.

He was appointed as the Chief Executive Officer of Felda Global Venture Security Services Sdn. Bhd. ("FGVSSSB") from 2013 to 2019 and in 2020 was appointed as an Advisor of FGVSSSB.

Directorship(s):
- Listed Companies: Nil
- Other Public Companies: Nil

Family relationship with any director and/or major shareholder: Nil

Conflict of Interest with the Company: Nil

Board Meeting Attendance in 2021:
- He attended all five (5) Board Meetings held during the financial year ended 31 March 2021

Length of Service: 1 year 6 months (as at 15 July 2021)

Date of Last Re-election: 28 September 2020

List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any: Nil

Age:	Gender:	Nationality:
64	Male	

KEY SENIOR MANAGEMENT

KHOR SONG SIM

Operations Director, Yew Lean Foundry & Co. Sdn. Bhd.

Age:	Gender:	Nationality:
54	Male	

Academic / Professional Qualification:

- Bachelor of Commerce degree in Accounting & Finance (with merit) from University of New South Wales, Australia in 1992.

Directorship(s):

- Listed Companies: Nil
- Other Public Companies: Nil

Date of Appointment / Working Experience:

Khor Song Sim was appointed as the Operations Director on 2 January 2020. Prior to his appointment as Operations Director, he was the Senior General Manager, Corporate Services in Yew Lean Foundry & Co. Sdn. Bhd.

He joined Yew Lean Foundry & Co. Sdn. Bhd. in 2007 as General Manager – Corporate Services and has over twenty-eight years of working experience in accounting, corporate services, internal and statutory audit related fields in various industries, including a stint as the Financial Controller of companies that were listed on the Main Market and Mesdaq Market of Bursa Malaysia Securities Berhad.

Family relationship with any director and/or major shareholder: Nil

Conflict of Interest with the Company: Nil

List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any: Nil

ANUAR SHUKRY BIN ISMAIL

Operations Director, MRPI Pipes Sdn. Bhd.

Age:	Gender:	Nationality:
50	Male	

Academic / Professional Qualification:

- Bachelor of Science degree in Mechanical Engineering from University of Missouri-Rolla, United States in 1994.

Directorship(s):

- Listed Companies: Nil
- Other Public Companies: Nil

Date of Appointment / Working Experience:

Anuar Shukry Bin Ismail was appointed as the Operations Director on 2 January 2020. Prior to his appointment as Operation Director, he was the Sales & Marketing Manager in MRPI Pipes Sdn. Bhd..

He joined MRPI Pipes Sdn. Bhd. (formerly known as Musa & Rahman Plastic Industries Sdn. Bhd.) in 1994 as Sales Engineer. He had since held various key positions within the company with involvement in various functions including sales, marketing and production. He has vast experience in plastic pipe manufacturing including his involvement in the water supply job for Tenaga Nasional Berhad in Manjung, Perak for submarine application, Lembaga Air Perak/Asian Development Bank project to supply High Density Polyethylene pipes and a number of supply contracts to various state water authorities in Malaysia.

Family relationship with any director and/or major shareholder: Nil

Conflict of Interest with the Company: Nil

List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any: Nil

KEY SENIOR MANAGEMENT

TEO KEE HENG

Assistant General Manager,
Laksana Wibawa Sdn. Bhd.

Age:	Gender:	Nationality:
48	Male	Malaysian flag

Academic / Professional Qualification:

- Master of Science degree (with merit) in Engineering and Manufacturing Management from Coventry University, England in 2001
- Diploma in Materials Engineering from Tunku Abdul Rahman College in 1997

Directorship(s):

- Listed Companies: Nil
- Other Public Companies: Nil

Date of Appointment / Working Experience:

Teo Kee Heng was appointed as the Assistant General Manager on 1 March 2019. Prior to his appointment as Assistant General Manager, he was holding the position of Senior Manager - Sales/Marketing & Business Development in Laksana Wibawa Sdn. Bhd..

He has over twenty years of working experience in piping for waterworks and sewerage industry covering sales and marketing, project and engineering as well as manufacturing and operations.

Family relationship with any director and/or major shareholder: Nil

Conflict of Interest with the Company: Nil

List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any: Nil

HALMI BIN OMAR

Project Director, Haluan Prisma Sdn. Bhd.

Age:	Gender:	Nationality:
55	Male	Malaysian flag

Academic / Professional Qualification:

- Diploma in Quantity Surveying from University Technology of Malaysia in 1987
- Member of Project Management Institute (PMI), ID 2048463

Directorship(s):

- Listed Companies: Nil
- Other Public Companies: Nil

Date of Appointment / Working Experience:

Halmi Bin Omar was appointed as Project Director on 17 August 2017. Prior to his appointment, he was Project Director of UEM Builders Berhad. He has over 30 years experiences in both contract and construction management, ranging from high rise apartment, exhibition hall, hotel, university and residential projects in Malaysia and overseas including Qatar, Saudi Arabia and Brunei.

Family relationship with any director and/or major shareholder: Nil

Conflict of Interest with the Company: Nil

List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any: Nil

FINANCIAL CALENDAR

FINANCIAL YEAR END	31 March 2021	
ANNUAL GENERAL MEETING	14 September 2021	
ANNOUNCEMENT OF RESULTS	**First Quarter** (Financial Period Ended 30 June 2020)	27 August 2020
	Second Quarter (Financial Period Ended 30 September 2020)	26 November 2020
	Third Quarter (Financial Period Ended 31 December 2020)	25 February 2021
	Fourth Quarter (Financial Period Ended 31 March 2021)	28 May 2021
ANNUAL REPORT	**Date of Issuance**	16 August 2021

SECTION II

CORPORATE STATEMENTS

MANAGEMENT DISCUSSION & ANALYSIS

REVENUE
RM103.17mil
31 MAR 2021

GROSS PROFIT
RM9.29mil
FY2021

GEARING AND LIQUIDITY
RM46.69mil
FY2021

GENERAL DESCRIPTION OF THE GROUP

YLI Holdings Berhad ("YLI") is an investment holding company with several key subsidiaries involving in activities as tabulated below:

Yew Lean Foundry & Co. Sdn. Bhd. ("YLF")

YLF is a leading manufacturer of ductile iron pipes, fittings and other related products in Malaysia and the ASEAN region. Its pipes are manufactured according to BS EN standards and MS ISO standard for potable and sewerage applications. It is 100% owned by YLI Holdings Berhad.

Laksana Wibawa Sdn. Bhd. ("LW")

LW is primarily involved in the manufacturing of high quality steel pipes for water, sewerage and construction industries. By employing state-of-the-art pipe manufacturing technology from Germany, LW strives to become a significant mild steel pipe manufacturer in Malaysia as well as in South Asian Region. It is 51% owned by YLI Holdings Berhad.

MRPI Pipes Sdn. Bhd. ("MRPI")

MRPI is principally in the manufacturing and marketing of High Density Polyethylene ("HDPE") pipes and fittings. The pipes and fittings manufactured are in conformance with Malaysia and International Standards, primarily for portable and sewerage applications. It is 70% owned by YLI Holdings Berhad.

Haluan Prisma Sdn. Bhd. ("HPSB")

HPSB is a contractor registered with "A" Class and PKK Bumiputra status by Pusat Khidmat Kontraktor ("PKK") and under "G7" Grade by the Construction Industry Development Board ("CIDB"). It is 70% owned by YLI Holdings Berhad.

With the above four key subsidiaries, YLI Group aspires to become the one-stop solution to all water and sewerage piping needs of its customers. While YLF, LW and MRPI serve to fulfill pipe requirement of various base materials (i.e. Ductile Iron, Mild Steel and HDPE), HPSB could synergistically act as the contractor in a supply-and-lay contract whenever such services are required by the Group's customers.

Along with our vision to be a pre-eminent group in providing value-added services and products to the water and sewerage industry, we strive to contribute effectively towards nation building.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

Revenue

The group revenue for the financial year ended 31 March 2021 ("FY2021") was RM103.174 million as compared to RM97.120 million achieved in previous financial year ("FY2020"). While manufacturing and trading segment recorded an increase of 9.08% (from RM89.110 million to RM97.204 million) in its revenue, construction segment recorded a decline of 25.47% (from RM8.010 million to RM5.970 million), thus resulting in a net increase of 6.23% in group revenue. The higher group revenue was primarily attributed to higher local demand for its products (especially ductile iron and HDPE pipes and fittings), offset by lower construction revenue. However, the restriction on movements of goods and people implemented by governments around the world from time to time to curb the spread of Covid-19 since early 2020 and the resulting economic disruption would continue to have negative impact on the business of the Group in the near and intermediate term.

Gross Profit

A gross profit of RM9.294 million was recorded for FY2021 as compared to a gross profit of RM3.845 million for FY2020, in tandem with the higher group revenue in FY2021. The significant increase in the Group's gross margin was primarily due to a multitude of factors including continued improvement in net production output after completion of major upgrades of the Group's ductile iron manufacturing line despite elevated raw material prices and better selling price for its mild steel products. The gain in gross profit margin was however weighed down by higher project cost for its construction business.

Other Income

Other income for FY2021 was RM0.507 million as compared to RM1.008 million registered in FY2020. The decrease in other income for FY2021 was mainly due to a one-off gain in contingent consideration of RM0.840 million.

Selling & Distribution Expenses

Selling and distribution expenses for FY2021 of RM1.923 million was lower as compared to RM2.172 million in FY2020. The decrease was mainly due to increase in sales to East Malaysia whereby the related freight charges were classified as part of cost of sales instead of selling and distribution expenses, in accordance with our usual accounting treatment.

Administrative Expenses

Administrative expenses for FY2021 of RM7.591 million was lower as compared to RM10.174 million in FY2020, and the decrease was primarily due to a one-off provision of legal claim amounting to RM1.174 million in FY2020 and the reduction in directors' remunerations of RM0.818 million in FY2021.

Loss After Tax & Total Comprehensive Loss

As a consequence of the reason as given above, the Group recorded a Loss after Tax of RM1.126 million in FY2021 as compared to a Loss after Tax of RM10.115 million for FY2020. Accordingly, total comprehensive loss of FY2021 stood at RM1.126 million (vis-à-vis a Total Comprehensive Loss of RM10.115 million for FY2020).

Equity Attributable to the Owner of the Company

The equity attributable to the owners of the Company (i.e. YLI Holdings Berhad) decreased from RM121.475 million as at the end of FY2020 to RM121.236 million as at the end of FY2021. The decrease was due to total comprehensive loss attributable to the owners of the company of RM0.239 million for FY2021 (vis-à-vis total comprehensive loss attributable to the owners of the company of RM7.837 million for FY2020).

MANAGEMENT DISCUSSION & ANALYSIS

Gearing and Liquidity

Total short-terms and long-term borrowings of the Group (defined to include overdraft, lease liabilities, term loans and other bank borrowings, both long-term and short-term) as at the end of FY2021 amounted to RM46.693 million as compared to RM47.173 million as at the end of FY2020. In terms of liquidity, the Group recorded a cash and cash equivalents of RM5.363 million as at the end of FY2021 as compared to RM1.615 million as at the end of FY2020.

Capital expenditure requirement

A total of RM2.015 million was expended during FY2021 to fulfill capital expenditure requirement and the amount to be expended within the next financial year is expected to be within the range of RM2 million to RM3 million for the Group.

PROSPECTS

The Malaysian economy recorded a Gross Domestic Product ("GDP") growth rate of -5.6% in 2020, which is a contraction as compared to a growth of 4.3% recorded in 2019. Owing to the Covid-19 pandemic and recent spike in commodity prices, the industry outlook for the Group's business is expected to remain challenging moving forward, amidst the difficult operating environment. The removal of government subsidies and the subsequent influx of China's iron and steel products in South East Asia following the relaxation of the Asean Free Trade Area ("AFTA") regime will likely continue to impact our bottom line.

Despite the above, the Board of Directors and the Management believe that the demand for the Group's products (i.e. pipe and fittings made of ductile iron, mild steel and high density polyethylene) will gradually improve over time as the Government's efforts in improving the water infrastructure and delivery are intensified to reduce the currently high rate of non-revenue water in order to avoid water shortages in the future. Additionally, the Group would likely see further improvement in its operational efficiency moving forward as a result its past and ongoing upgrades of its production machineries.

In its attempt to preserve its position as the leading manufacturer and supplier of premium quality water and sewerage pipes and fittings in the ASEAN region, the Group will continue to focus its effort in cost containment. The Group will also seek to intensify its research and marketing initiatives to diversify its product range and widen its foothold beyond its traditional markets.

In order to mitigate the risk of specialising in very limited fields or industries, the Group would continue to scout for investment opportunities to further diversify the earnings base of the Group and enhance the returns to its shareholders.

DIVIDEND

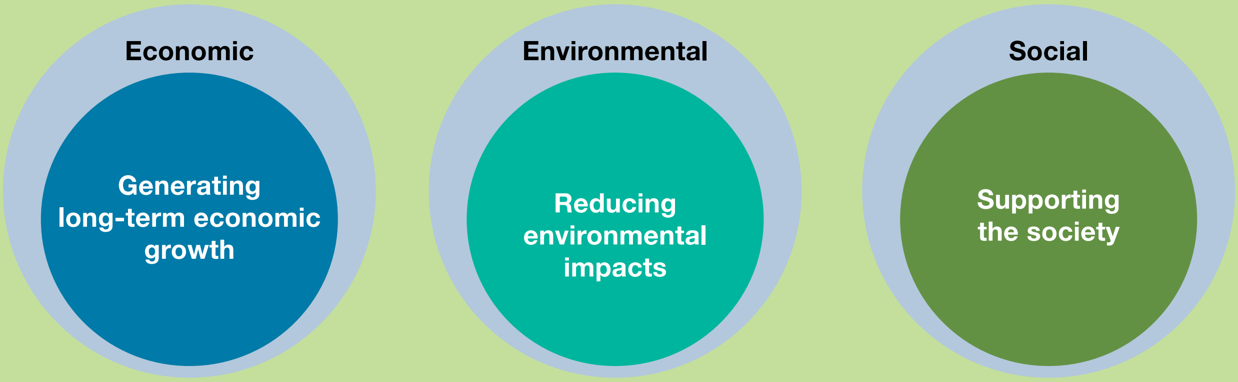
The Board of Directors does not recommend any dividend payment for the current financial year ended 31 March 2021.

SUSTAINABILITY STATEMENT

INTRODUCTION – SUSTAINABILITY AT YLI

In today's ever-changing world, sustainability has become an essential element in addressing the most pressing issues concerning ecological challenges and social concerns like depletion of natural resources, pollutions, or well-being of the society. As the public expectations towards corporate responsibility increase over the years, the Board of Directors ("Directors" or "the Board") of YLI Holdings Berhad ("YLI" or "the Group") recognises that we play a pivotal role in offering solutions to the emerging interests that are being raised by the communities. Moreover, we believe that integrating sustainability at both strategic and operational levels is imperative to the long-term growth and success of its businesses.

By means of creating and delivering long-term values for all stakeholders, our approaches to responsible business practices evolve in investing our resources across three (3) main pillars – Economic, Environmental, and Social ("EES"). At YLI, we are invariably committed to upholding integrity on business conducts, deliberately minimise the impact of our business operations on ecosystems, and nurturing an inclusive working environment for our people whilst generating healthy revenue growth to the Group alongside sustainability development. Summarily, our sustainability goals focus on the following aspects:-



In this regard, we are delighted to publish our 4th sustainability statement ("statement") encompassing our ongoing commitment and performances in EES sustainability for the Financial Year Ended ("FYE") 31 March 2021. Likewise, this statement aims to provide insights to all of our stakeholders on the approaches we utilise in delineating our sustainability strategies and efforts with the Group's material topics.

REPORTING PERIOD AND SCOPE

In line with the reporting period of our annual report, this statement covers the sustainability initiatives and performance data from 1 April 2020 to 31 March 2021. Our disclosure also consists of historical data of up to two (2) consecutive years as a comparative measure to demonstrate the progress of our performance in achieving our sustainability targets. Principally, this statement reports the data and information of our core business operations, including the manufacturing activities of ductile iron ("DI") pipes, mild steel ("MS") pipes, high-density polyethylene ("HDPE") pipes, and relevant fittings, as well as the construction and project management. All financial data are being expressed in Malaysia Ringgit ("RM") unless otherwise specified. Despite that, all joint ventures and outsourced activities across the supply chain where we have no management control over the said entities or activities shall be excluded as part of our disclosure at this juncture.

SUSTAINABILITY **STATEMENT**

The overview of the scope, reporting period and the Group's key business operations and subsidiaries are presented below:-

Reporting Scope

- From 1 April 2020 to 31 March 2021

Reporting Cycle

- Annually

Reporting Coverage

- YLI and its main subsidiaries

Key Business Operations and our Subsidiaries

Yew Lean Foundry & Co. Sdn. Bhd. ("YLF")	Laksana Wibawa Sdn. Bhd. ("LW")	Logam Utara (M) Sdn. Bhd. ("Logam")	MRPI Pipes Sdn. Bhd. ("MRPI")	Haluan Prisma Sdn. Bhd. ("HPSB")
Leading manufacturer of ductile iron pipes, fittings and other related products.	Manufacturing of high quality steel pipes for water, sewerage, and construction industries.	Involvement in water industry related to under pressure linetapping/ linestopping machines, pipes accessories.	Manufacturing and marketing of HDPE pipes and fittings.	Contractor registered with Contractor Services Center ("PKK") and under "G7" Grade by CIDB.

SUSTAINABILITY **STATEMENT**

REPORTING FRAMEWORK

This statement is prepared based on the Sustainability Reporting Guide (2nd Edition) issued by Bursa Malaysia Securities Berhad ("Bursa") – fundamental guidance to the Group in ensuring its material EES matters are being identified, measured, and adequately communicated to our stakeholders. In addition, with the aim to provide clear and transparent disclosures to our stakeholders, we strongly encourage all interested parties to read this statement together with the Management Discussion and Analysis ("MD&A") disclosed under our annual report which delineates the Group's financial and operational performance for the reporting year.

FEEDBACK

This statement can be found and downloaded in our official website, under the section of Annual Report. We value your comments and recommendation for improvements over our sustainability performance or reporting framework. As such, we welcome any inquiries and suggestions to be directed to our corporate email, at corporate@yli.com.my, or send us a message on contact us page.

OUR GOVERNANCE STRUCTURE

At YLI, we acknowledge that successful integrations and good governance of sustainability require a committed leadership team that is able to provide clear directions and strategic influence to the Group. Hence, the Board has established and maintained a Sustainability Working Group ("SWG" or "working group") to assist YLI in implementing its sustainability initiatives across the operations, assume overall accountability, manage reporting processes, and ensure the implementation meets the business objectives as set by the Group. Prior to forming an effective governance structure for the Group, we have thoroughly considered the following criteria:-

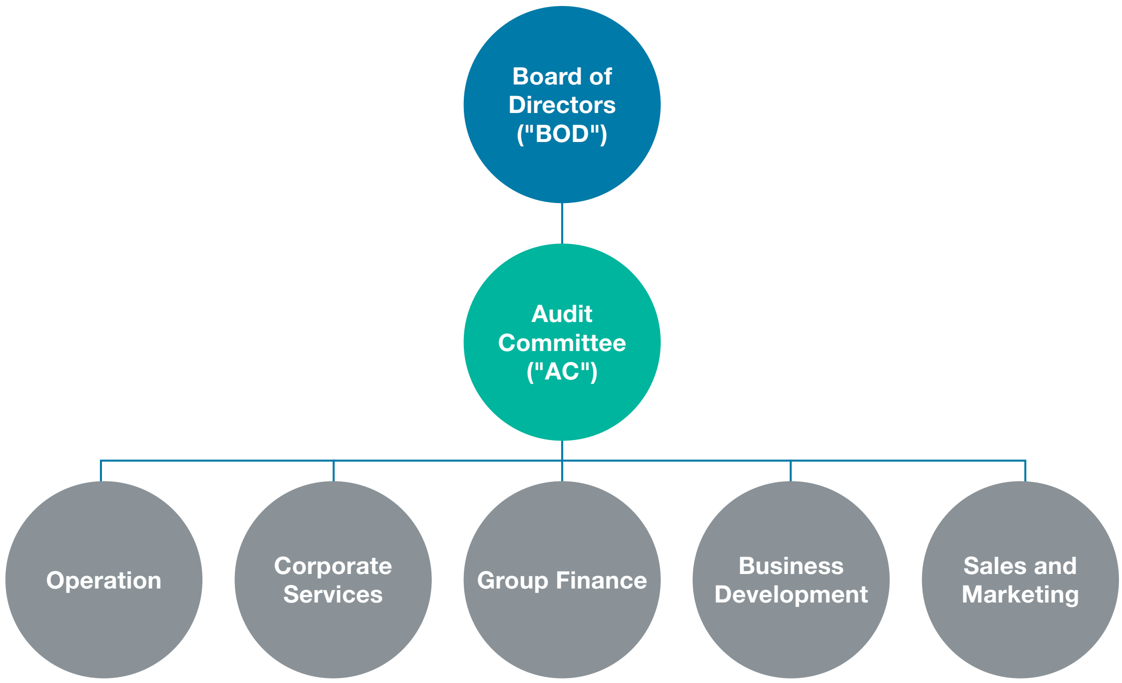
Tone from the top	Assigning accountability to the right personnel	Aligning governance structure to operations	Incorporating flexibility in the adoption of sustainability initiatives
• The Group's commitment in achieving sustainability shall be demonstrated through regular reporting to the top management, i.e., the Board.	• The Group's expectation and sustainability objectives shall be being clearly communicated to the working group.	• The members of the working group shall be aligned and complemented with current business model and organisational structures.	• The sustainability initiative shall be adapted to ensure that its relevancy to the respective business divisions.

With the aforementioned considerations taken into accounts, our sustainability governance structure comprises a working group that involves cross-functional divisions including operation, corporate services, finance, business development, and sales and marketing representatives, which are capable to provide insights on YLI's sustainability targets through regular stakeholder's engagement, to implement group-wise initiatives, and to monitor its performances amongst others. The Group's Managing Director ("GMD") is in a position to provide further oversight and strategic guidance to the working group whenever deemed necessary, as well as to ensure adequate resources are being allocated to the management to integrate and implement material sustainability matters into the business operations. On top of that, the Audit Committee ("AC"), together with the Board shall provide oversight over the sustainability strategies and demonstrate their commitment to sustainability at the highest levels.

SUSTAINABILITY **STATEMENT**

OUR GOVERNANCE STRUCTURE (CONT'D)

In summary, our sustainability governance structure is outlined in the following table:-



Sustainability Working Group

The working group is committed to meet at least once a year to discuss, assess and recommend sustainability initiatives for improvements. This year, the SWG held a meeting on 29 June 2021 with the attendance from senior management of the Group such as the Executive Director ("ED"), Head of Companies ("HOC"), managers, and a secretary to review the data collected for the preparation of this statement, including the governance structure, stakeholder's engagement analysis, prioritisation of sustainability matters, and information disclosed under each sustainability matter.

OUR ENGAGEMENT WITH STAKEHOLDERS

We value the trust that we developed with our stakeholders over the years of operation. It is also our belief that regular engagement is elementary to ensure the interests of our stakeholders are aligned with the approaches we adopted to manage our businesses. Likewise, meaningful engagements help us to identify room for improvements over our sustainability strategies that drive the Group in creating long-standing values and maintaining positive relationships with our stakeholders. Against this background, YLI is committed to maintaining proactive and constructive engagements with our key stakeholders across the Group.

Generally, our stakeholder's engagements are guided by the following principles:-

READINESS	Identification of key stakeholders. Upon which, we pursue to stay engaged with them.
OPENNESS	Listen. Ensure honest and constructive feedbacks are being considered thoroughly which enable us to refine our engagement approaches.
CONNECTION	Cultivate two-ways communication that matches the needs and expectations of stakeholders.
INCLUSION	Integration of stakeholder's interests that materially impacts the overall operations of the Group into our moving-forward sustainability strategies.

SUSTAINABILITY **STATEMENT**

OUR ENGAGEMENT WITH STAKEHOLDERS (CONT'D)

Bearing these in mind, we empower our people across the major business divisions at all levels to manage our stakeholder engagement and activities. They are given the responsibility to identify the key stakeholders and ensure effective engagement methods are in place to gather, evaluate, and provide recommendations in addressing the stakeholders' interests appropriately. Additionally, they are authorised to communicate with the stakeholders on the subsequent course of actions undertaken by the Group in addressing their concerns or feedback, as well as to seek opportunities to strengthen the overall engagement process.

We recognise that each stakeholder group has different expectations on our communication approaches. As such, we are committed to ensuring the most suitable communication channels are provided to our key stakeholders that are aimed to facilitate the stakeholders' engagement in an effective, transparent and timely manner. This includes:-

In-person meetings

Online platforms

Emails / Telecom-munications

Industry forums

For the context of this statement, we defined our key stakeholders as a group of members or individuals who are impacted by our business operations, have vested interests in our EES performance, and influence the Group's ability to effectively implement our strategies or achieve our goals. These include customers, government and regulatory bodies, employees, suppliers, shareholders, and the public communities.

Accordingly, the identified stakeholders, engagement method, as well as frequencies of engagement are translated into an annual stakeholder engagement questionnaire, filled by the senior management of the Group, reviewed by SWG, and exhibited as below:-

Customers

Engagement Methods	Frequency
> Meetings / Discussions	> Weekly
> Press release / Announcements	> Ad-hoc
> Customer service practices	> Ongoing
> Contract negotiations	> Ad-hoc
> Corporate website	> Ongoing

Government / Regulatory Bodies

Engagement Methods	Frequency
> Report submissions	> Ongoing
> Audits / Inspection Visits	> Ad-hoc
> Meetings / Discussions	> Ongoing
> Press release / Announcements	> Ad-hoc
> Contract negotiations	> Ad-hoc
> Corporate website	> Ad-hoc

Employees

Engagement Methods	Frequency
> Meetings / Discussions	> Ongoing
> Annual performance review	> Annually
> Grievances / Whistleblowing procedures	> Ad-hoc
> Dialogue sessions	> Ad-hoc

Suppliers / Vendors

Engagement Methods	Frequency
> Meetings / Discussions	> Ongoing
> Performance evaluations	> Annually
> Contract negotiations	> Ad-hoc
> Vendor registrations	> Ad-hoc

Shareholders

Engagement Methods	Frequency
> Annual General Meeting	> Annually
> Annual report	> Annually
> Quarterly announcements / Reports	> Quarterly
> Press release	> Ad-hoc
> Corporate website	> Ongoing

Public / Local Communities

Engagement Methods	Frequency
> Press release	> Ad-hoc
> Corporate website	> Ongoing

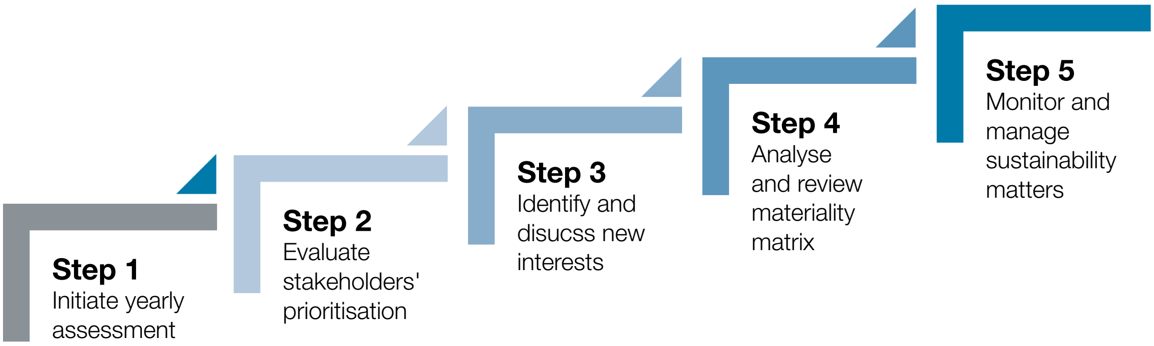
SUSTAINABILITY **STATEMENT**

IDENTIFYING AND PRIORITISING OUR MATERIAL ASPECTS

As indicated above, YLI is committed to giving due consideration to the interests raised by its stakeholders. Therefore, following the stakeholder's engagement review, a materiality analysis is performed by the Group to define and prioritise the most relevant EES matters that are substantial to us and stakeholders. Furthermore, we trust that a structured materiality assessment serves as a powerful mandate for us to focus on the business acumen and make informed strategic decisions, whilst enabling the Group to enhance its overall strategic planning, improve risk management, and increase operational efficiencies in the long run.

By definition extracted from Bursa's Sustainability Reporting Guide (2nd Edition), sustainability matters are deemed material under two (2) considerations – when a matter has great influence over the judgement and decisions of a stakeholder, and when a matter shows substantial EES impacts to the Group's value chain. Hence, the materiality assessment is inclusive of both internal and external perspectives, i.e., from the stakeholder's standpoint and the Group's perspectives. In this respect, YLI has enforced a yearly re-evaluation on its preceding year's materiality assessment to affirm that these matters remain relevant and indispensable to the Group's success, notwithstanding to ensure any new or rising matters are identified, reasonably assessed, and addressed accordingly.

Fundamentally, the Group applied the following methodologies and procedures in governing its materiality assessment:-

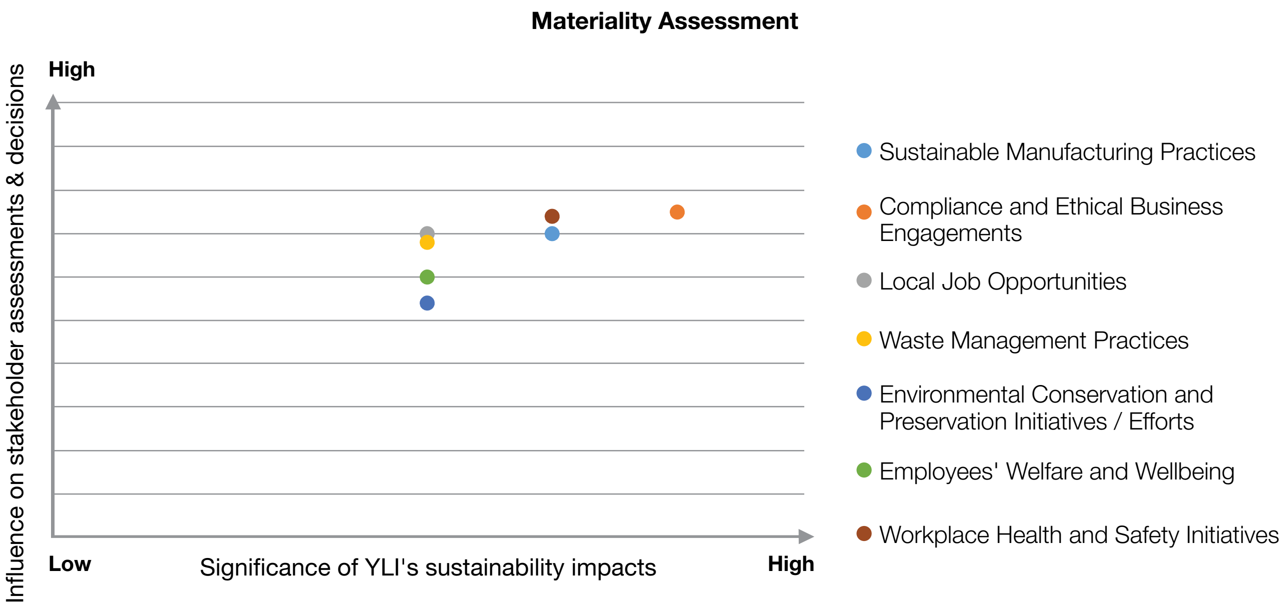


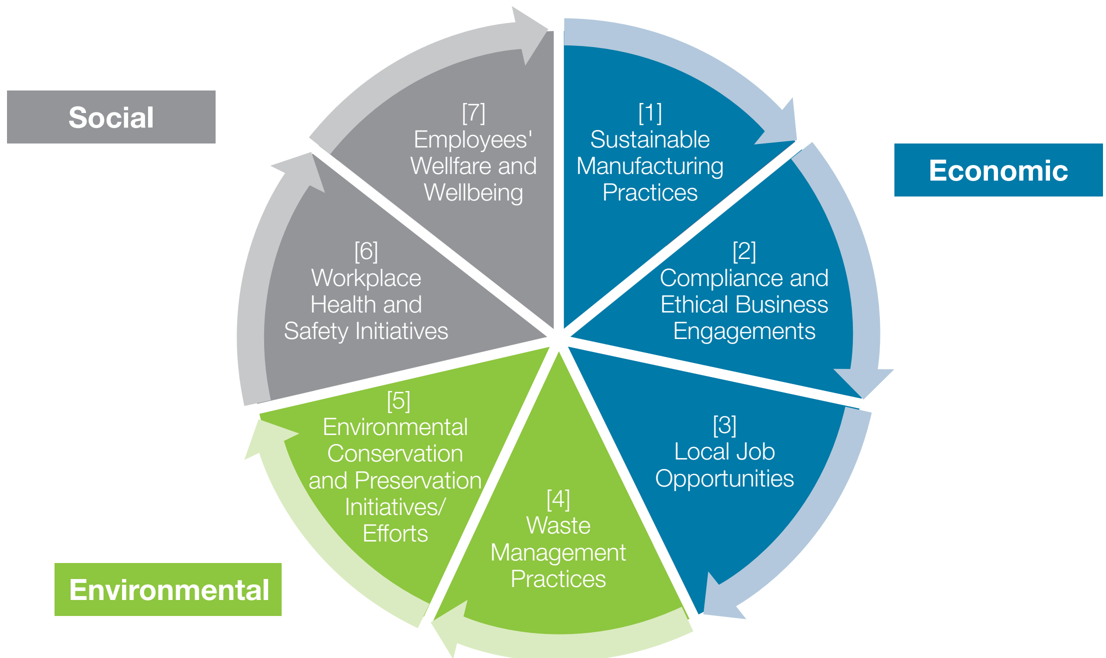
Step 1	SWG initiates a review on preceeding year's assessment and provide reasonable assurance to the Board that all identified matters remained impartial to the Group.
Step 2	SWG to identify, evaluate and assign weightages of its key stakeholders based on their influence and interest.
Step 3	Dialogues with respective key functional divisions to determine any new matters that are deemed essential to the Group and its stakeholders.
Step 4	Senior management to analyse the materiality level of each matter. Subsequently, the Board (or delegated personnel) to endorse on the results of the analysis, i.e., materiality matrix.
Step 5	All functional divisions are responsible to manage the sustainability matters, monitor its performance, and report to the Group when there are any rising matters that may effect the interests of the Group and its stakeholders.

SUSTAINABILITY **STATEMENT**

IDENTIFYING AND PRIORITISING OUR MATERIAL ASPECTS (CONT'D)

Furtherance to the review of YLI's material sustainability assessment, we consider the identified key matters remained intact and vital towards our sustainability development. Conclusively, the said assessment has outlined a total of seven (7) materiality matters, covering all three aspects under economic, environmental, and social which will be reported in the subsequent sections of this statement. The level of significance to the Group and its influence on stakeholders' assessments and decisions are illustrated in the following materiality matrix:-





SUSTAINABILITY **STATEMENT**

OUR SUSTAINABILITY APPROACH

GENERATING LONG-TERM ECONOMIC GROWTH

Sustainable Manufacturing Practices

Due to the nature of YLI's businesses, the majority of the revenues are generated from the products manufactured in the factories. Therefore, the Group is committed to embed sustainable manufacturing practices in our operations to continually generate long-term shared values to our key stakeholders, including customers, suppliers and investors.

We acknowledge that our success and business continuity are largely dependent on maintaining the customer's trust and achieving product excellence. Bearing this in mind, our key subsidiaries that manufacture DI and MS pipes and construction activities are accredited with ISO 9001:2015 – Quality Management System certification, thereby assuring our manufacturing and construction practices are governed with requisite standard. Additionally, we have engaged with an independent organisation to inspect the production activities, hence providing reasonable assurance pertaining to the quality of our end products to the customers.

In brief, the Group manages the quality of its products through:-

Guided by the ISO 9001:2015 Standard and relevant environmental rules and regulations, we strive to ensure that adequate measurements are duly considered and practiced throughout our manufacturing processes to minimise the manufacturing waste generated from DI pipes. Consequently, we endeavour to achieve operational sustainability through:-

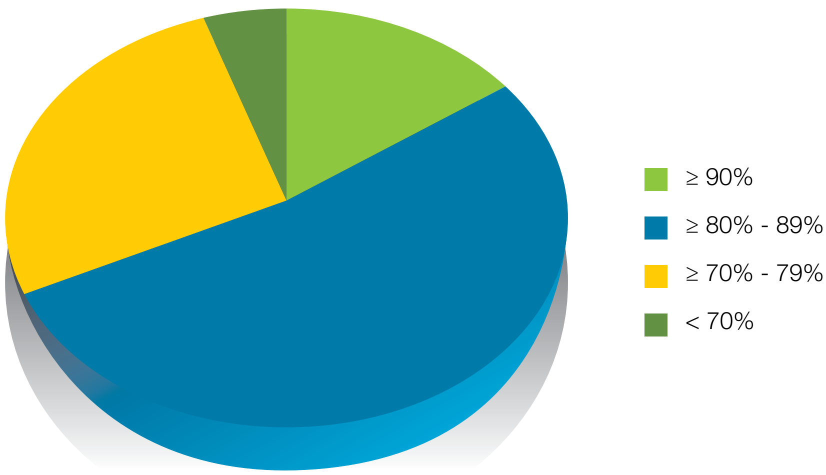
SUSTAINABILITY **STATEMENT**

Sustainable Manufacturing Practices (cont'd)

On the contrary, the suppliers are also the critical partners to the Group's sustainable development. Moreover, we firmly believe that responsible and strategic procurement practices would provide a competitive edge and create substantial impact to the financial performance of the Group when the resources are being managed in an effective manner. At YLI, we adopt rigorous approaches in our suppliers' selection to ensure that the quality of materials and services, as well as environmental impacts are not being compromised throughout the procurement processes. Amongst which, we managed our suppliers and sub-contractors through the following practices:-

Selection and approvals of new suppliers, including sub-contractors	Procurement procedures	Annual suppliers / sub-contractors performance evaluation
• Conduct reasonable due diligence to ensure the suppliers met the criteria defined by the Group prior to entering into a business engagement.	• Ensure the procurement activities are supported with appropriate control documentation and approval as stipulated in the Group's Standard Operating Procedure ("SOP")	• Review the key suppliers' competency and ability in meeting the Group's requirements annually, assigned the performance rating, and ensure appropriate review and approval are obtained from the management.

As of 31 March 2021, we have retained a total of 584 suppliers in our Approved Supplier Listing ("AVL"), and have conducted the annual supplier performance evaluation towards our key suppliers. In summary, the results of the overall evaluation are deemed satisfactory, with an average score of 82%.



Local Job Opportunities

As a public listed company with majority of its business operations residing in Malaysia, YLI acknowledges the importance in contributing to the overall economic growth of the country by offering job opportunities to the local communities, whether it is through direct or indirect employment. Against this backdrop, we have adopted a positive, inclusive, and open approach to manage both the human capital and supply chain by prioritising the employment of local communities, as well as sourcing from local businesses, wherever possible.

SUSTAINABILITY **STATEMENT**

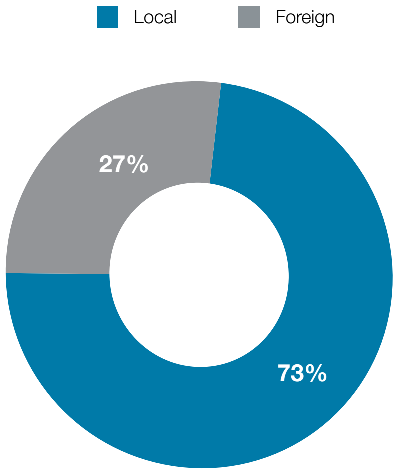
Local Job Opportunities (cont'd)

i. Employing locally

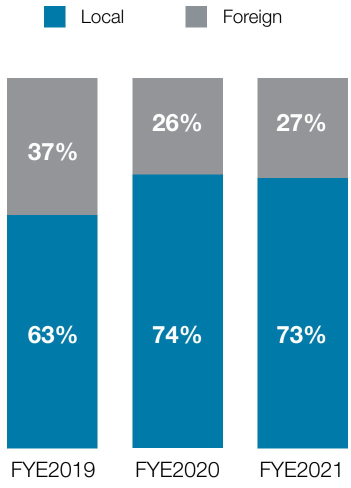
Despite these unprecedented times, we remained committed and active in hiring locals. Given the nature of YLI's businesses, our most-sourced talents between 1 April 2020 and 31 March 2021 were from the Group's factories, covering production, human resource, and administrative positions. Amongst which, we have posted more than 60 career opportunities through various job portals, and have successfully recruited a total of 65 headcounts with permanent positions, of which all the new recruits are 100% local under the YLI group of companies. As of 31 March 2021, we have a total workforce comprising 359 employees, with 73% of locally hired employees.

The following graphs illustrate our performance data in local employment:

Local employment rate as at 31.03.2021



Percentage of local vs foreign workforce



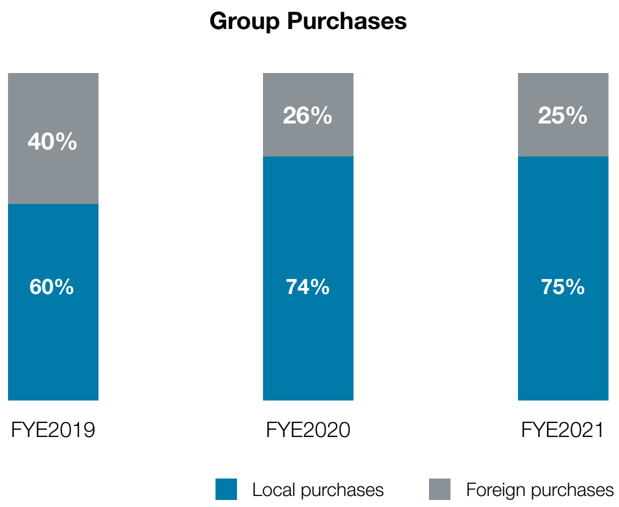
ii. Sourcing locally

Aligned with our focus to stimulate the local economy, YLI strives to procure and engage with local service providers whenever possible, specifically for the components that we use in our daily operational activities, e.g., machine tooling and scrap metals without compromising on the cost, quality or safety of a product or service acquired. Moreover, with the ongoing Covid-19 pandemic situation, we are mindful that procuring locally is beneficial to the Group whereby it provides better resilience in the supply chain with shorter lead-time and response time, whilst minimising the carbon footprint from transportation.

Local procurement		
Create indirect job opportunities	Short lead time and response time	Minimise carbon footprint

It is our ambition to stimulate the economy through local procurement. Therefore, in FYE 2021, the Group spent approximately RM61.5 million on its direct purchases, by which 75% are awarded to local suppliers. This is equivalent to a 1% increase in local procurement as compared to FY2020. Moving forward, we endeavour to continuously support and strengthen the engagement with local suppliers, thus promoting the local economy whilst ensuring a buoyant supply chain throughout our business operations.

SUSTAINABILITY STATEMENT



* Includes local manufacturers / foreign products with representatives in Malaysia.

Compliance and Ethical Business Engagements

YLI believes that strong and effective corporate governance is the cornerstone to attain a sustainable and successful business. It is of paramount importance for the Group to uphold integrity, be ethical and transparent in all of its business conducts whilst creating shared values and build trust with the stakeholders. Principally, our Board of Directors, management, and employees of the Group shared the same commitment in practicing good corporate governance, whereby the fundamental principles and values that governed our business practices are based on the Malaysian Code of Corporate Governance ("MCCG" or "the Code").

Summarily, YLI underlying principles and practices include:-

Clear Accountabilities and Responsibilities
The Board of Directors, together with its entrusted committees are duly appointed in accordance to their experience and qualifications, and are assigned with specific roles in the Group.

Integrity and Transparency
YLI promotes transparency and accountability in all aspects of business activities, particularly when it comes to decision-making processes.

Effective Risk Management
YLI strives to ensure an effective and preventive risk management system is in place to identify and manage potential risks and opportunities.

Internal Controls
Corporate transparency and control mechanisms are enhanced through the conduct of internal audit, carried out by an independent and competent outsourced organisation.

Further details of our Corporate Governance practices are disclosed and reported under the Corporate Governance Statement of this Annual Report.

SUSTAINABILITY **STATEMENT**

Compliance and Ethical Business Engagements (cont'd)

As mentioned above, YLI is committed in building a corporate culture based upon the highest standards of ethical behaviour and strict compliance with the relevant laws and regulations where we operate. Invariably, the Group endeavors to practice strict adherence in its day-to-day operations including but not limited to the following regulatory matters:-

To safeguard the interests of the Group and its stakeholders, regular monitoring and internal audit activities are carried out conjointly by the management and outsourced auditors to verify compliance, mitigate risks and opportunities, as well as provide reasonable assurance to the Board. This includes an external review of ISO 9001:2015 (Quality Management System) certification and compliance review conducted by SIRIM QAS International and GH Certification Sdn. Bhd. for subsidiaries registered with manufacturing licenses of DI and MS pipes, and risk-based internal audit conducted every quarter. Through the anticipation of these comprehensive and effective measurements, YLI is confident that all identified risks and opportunities shall be adequately managed and mitigated promptly to minimise uncertainties and losses, whilst ensuring that our business dealings are in compliance under local laws and applicable standards.

With the introduction of Section 17(A) of the Malaysian Anti-Corruption Commission ("MACC") Act which came effective on 1 June 2020, the Group has established and implemented an Anti-Bribery Management System ("ABMS") in accordance with the Guidelines on Adequate Procedures issued by the Prime Minister Department. Our unwavering commitment to address, manage, and prevent corruption activities within the Group is demonstrated in the Anti-Bribery and Corruption ("ABC") Policy encompassing specific provisions to forbid any actions and conducts that constitute the act of corruption. The said Policy also ensures that the Group's expectations and requirements are supported by all employees and business associates who are acting for or on behalf of the Group. In general, the Group has adopted zero-tolerance against any bribery and corruption activities, of which the ABC Policy has definitive and clear rules that state:-

ABC Policy

- YLI shall not offer or provide any forms of gratifications to any person associated with the Group for the purpose of gaining advantages over business dealings.
- The employees are prohibited from offering or accepting any forms of gratifications from business associates with the intention of influencing a busines decision.
- YLI shall take appropriate actions against employees who engaged in any form of bribery and corruption activities.
- YLI forbids any retaliation action to be taken against any person who report a misconduct in the Group in good faith.
- YLI commits to perform reasonable due diligence to all employees and business associates prior or throughout their engagement with the Group.
- YLI shall ensure adequate communication is performed to its employees and business associates concerning its stance in anti-bribery and corruption activities.
- YLI shall maintain and conduct regular review on its ABMS to ensure the practices remain relevant and effective.

On the 10th and 11th August 2020, the Group has conducted multiple briefing sessions on the aforesaid Policy to all its employees as a mean to create awareness on the amended MACC Act as well as to ensure the Group's expectations in cultivating a zero-bribery and corruption culture are being clearly communicated to the employees.

Likewise, the Group recognises that integrity, transparency, and equality are the foundations towards maintaining good business practices in YLI. Therefore, the Group has maintained a Whistleblowing Policy that allows all employees and business associates to report on any violations of rules or misconducts as identified within its business operations. As of 31 March 2021, the Group has not received any whistleblowing report.

SUSTAINABILITY **STATEMENT**

REDUCING ENVIRONMENTAL IMPACTS

Waste Management Practices

We believe in proper waste management, with effective communication, shall promote and increase awareness and environmental consciousness in the community. The Group understands that wastes are produced in all our daily operations, as such it is imperative for the management to manage the waste in accordance to specific guidelines. The Group has placed priority in reducing the pollutant and any environmental hazards to ensure sustainability of our business activities. With respect to this, the Group has adopted a DOE's Electronic Scheduled Waste Information System ("ESWIS") to observe the waste control, whilst ensuring the monitoring processes are intact to attain the Group's objective in preserving the natural environment. The said ESWIS also provides the necessary aid to the management team in ensuring the compliance of corresponding environmental rules and regulations. At present, the ESWIS is under the custody of waste management team, which is tasked to manage the Group's scheduled waste.

In general, the Group's manufacturing arms produced scheduled wastes like lubricating oil, hydraulic oil, paint and paint waste, generated via our daily production runs. Comprehensively, the said pollutants are collected in sealed and numbered, and kept in a designated waste area to prevent any unauthorised access by the employees. Such control measurement will be able to keep the contamination to environment and human at bay as well. Besides, the storage of scheduled waste will be limited accordingly to the permitted capacity of maximum 20 tonnes. The Company has assigned a team of subject-matter-expert in monitoring and managing both the storage and disposal of waste, including the melting furnaces and zinc coating performances. Throughout the year, one of our production facility has upgraded its zinc coating waste suction system by increasing the capacity of a cyclone and modified purging system, totalling to a capital expenditure of RM 58,000. For the financial year 2021, the Group is pleased to confirm that there was no non-compliance case or breach of regulatory requirement concerning the scheduled waste management.

0
non-compliance case on scheduled waste management

Capital expenditure of
RM58,000

Maximum
20 tonnes
of storage on scheduled waste

As part of the Group's commitment in reducing its carbon footprint, we employ a continuous improvement approach to conserve the environment by improving and enhancing the engineering properties consisted in the iron pipe, i.e., tensile strength, elongation and solidity, with the ductile iron pipe manufacturing process. The aforesaid movement would assist the Group in preserving the working environment by reducing the technicality failures. Also, the ductile iron pipe possesses higher mechanical properties that may last up to 50 years in service, thus bringing least resources and impact to the environment as a whole.

On the contrary, our construction sites manages waste responsibly by ensuring sufficient space is allocated to store the construction and domestic waste produced throughout the processes. These waste are then collected by an approved waste management Company on a regular basis. Aside from that, we have also adapted modular construction system – an Industrialised Building System ("IBS"), integrated blockwork, and metal frame with the aim to minimise timber waste that is associated with the formwork fabricated by plywood and dimensional timber. Amongst others, the IBS also ensures that the overall building quality is improved with reduced costs, and is able to shorten the overall timeline of our construction period.

SUSTAINABILITY STATEMENT

Waste Management Practices (cont'd)

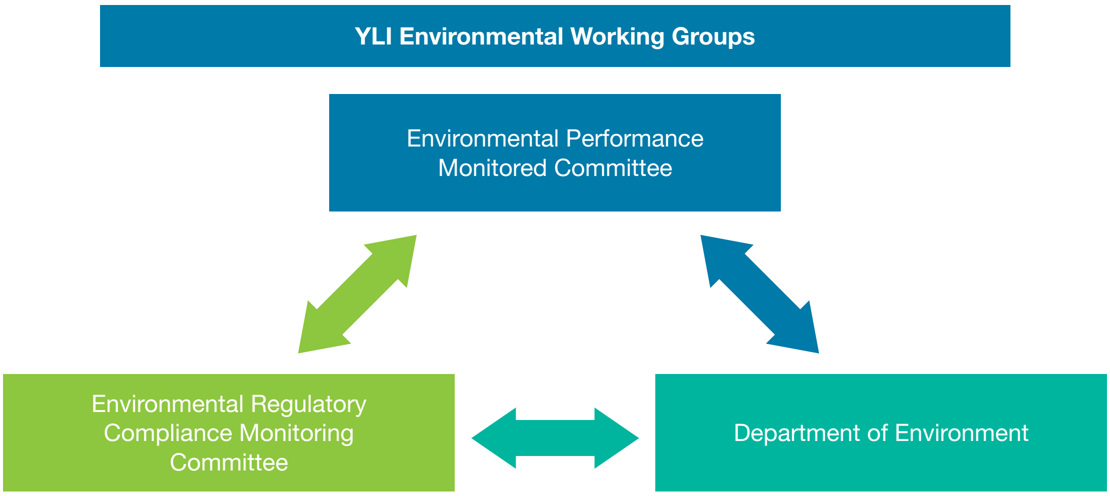
Conclusively, the Group applies an unwavering stance in complying with the relevant rules and regulations concerning the waste management i.e., Environmental Quality Act 1974 and Environmental Quality (Scheduled Waste) Regulation 2005. Apart from that, the Group maintains its own control procedures addressing the key matters concerning the waste management. The person who found to be in non-compliance of such procedures are made liable to disciplinary actions that may potentially lead to dismissal.

Environmental Conservation and Preservation Initiatives

Preservation Initiatives

The Group withholds its objective in preserving the environment, and remains unwavering in our commitment towards managing our impact towards the natural environment. The Group maintains its self-regulation initiatives under the Guided Self-Regulation ("GSG") to continually monitor the compliance of relevant rules and regulations, whilst ensuring the impact to environment as driven by the Group's business activities would be kept at a minimal level. In order to ensure the effectiveness of the Group's contribution to natural capital, the Department of Environment ("DOE") would be responsible in conducting regular environmental preservation awareness campaigns to the employees at all levels.

Principally, the Group has always observed its environmental policies to reiterate its commitment to all corresponding stakeholders, as well as to align the organisational focus and its value chain participants at the environment direction as directed by the management. The custodianship over said policies falls under the Environmental Regulatory Compliance Monitoring Committee ("ERCMC"), which supervises, monitor and make betterment towards the key matters concerning the environment. Our Environmental Performance Monitored Committee ("EPMC"), is tasked to measure the performance of the Group in containing the environmental pollution and management of waste. The said key measurement is drafted and designed to align with the Environmental Quality Act 1974 and the prevailing guidelines. The corresponding committees are entrusted with the roles and responsibilities to promote environmental awareness and enhance the environmental preservation practices over times.



The Group is committed to address challenges and opportunities in our natural surroundings where we conduct our business, such initiative would enable us to contribute to environmental value and minimise damages to the environment. Hence, the Group is equipped with relevant pollution control measurement and treatment facility in our respective plants, and they are ought to be inspected and maintained earnestly by our corresponding management team. Proper dust bag filters are being placed around the manufacturing plants to prevent the release of harmful pollutants generated during the production runs. With considerations of the above, the Group has budgeted RM30,000 on an annual basis for the upkeep and maintenance of its air pollution control activities. Likewise, a third party vendor was appointed by the Group to perform a Stack Emission Monitoring Test for all the dust collectors during the year. The said effort is a fruitful one with promising results, indicating the machine and equipment of the Group is operating as intended, whilst generating emissions within the regulated limit.

SUSTAINABILITY **STATEMENT**

Environmental Conservation and Preservation Initiatives (cont'd)

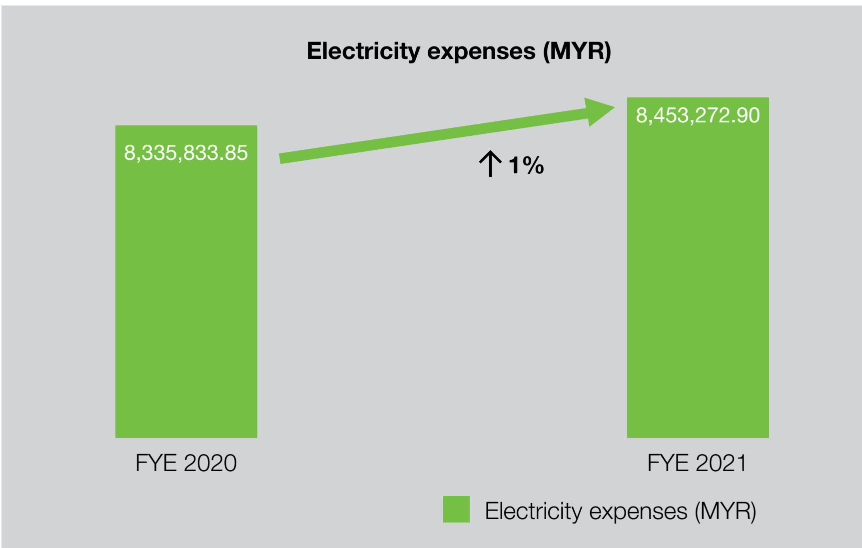
Notwithstanding with the above, we have also appointed a competent consultant to assist us to monitor the environmental quality (i.e., water, air, and noise level) at our construction site located at Bukit Jalil, Kuala Lumpur. The said environmental monitoring program aims to ensure our construction activities are in compliance with the requirements as stipulated by the Department of Environment (“DOE)” and other relevant authorities. Any observations or rooms for improvements noted by the said consultant will be discussed amongst the management teams, thereafter ensuring appropriate actions are promptly taken to improve the relevant processes.

Environmental Conservation Efforts

The Group is committed to reduce our carbon footprint by adopting a sustainable and environmentally friendly approach across our business operations. As a consumer of resources such as energy and water, we will continue to play our part in reducing the usage to conserve these scare resources, by observing the following environmental management systems:-

- All levels of employees are equipped with the general safety rules, including the correct ways of handling of hazardous materials
- Constant checks on potentially dangerous chemicals and ways to reduce its impact to environment
- Keep waste to a minimum and maximise the efficient use of materials and resources
- Manage and dispose of all waste in a responsible manner, including the controls over of recycled materials and scraps

Over the last two years, we have improved in the energy usage efficiency, signifying our strenuous effort to fight against climate change. Amongst others, our team monitors closely on the energy consumption rate at the factories to ensure the Kilowatt per Hour (kWh) is minimised with reduced Maximum Demand (“MD”) charges, whilst productivity level are optimised. Through close monitoring of our energy consumption, our electricity expenses have a mere 1% fluctuation in FYE 2021, as compared with FYE 2020 and 2021, whilst our production level are generally higher. The can be exemplified as follows:-



Conclusively, we view our main environmental management goal as adhering to all environmental rules and regulations, as well as prioritising the improvement over our products in servicing the environment and contemporaneously posing greater level of contributions towards the natural capital.

SUSTAINABILITY **STATEMENT**

SUPPORTING THE SOCIETY

Covid-19 Response

Amid Covid-19 pandemic and as part of the safety measure, on a regular basis, the EHS Committee conducted risk assessment and emergency response plan to safeguard the people and operations of the Group. A few preventive measures are taken to take care of both our employees and visitors, including the adherence of policies and procedures issued by the federal and state governments.

Besides, the employees are trained to observe a few key preventive measures such as physical distancing as follows:-

Besides, the Group has also imposed precaution steps that are improved from time to time to safeguard the safety and health of our employees and visitors which include:-

Covid-19 precautionary steps				
Requiring all employees and visitors to have temperature check, scanning the Mysejahtera apps	Provision of sanitisers at designated locations within the Company's premise	Restricting employee movement between plants and offices, whenever possible	Requiring employees to comply strictly to all the Government's COVID-19 directives	Placement of distancing marking at required places

Health and Safety Initiatives

The Group understands it is vital to maintain a safe and healthy workplace to the employees as well as other corresponding stakeholders, such as suppliers, customers and contractors. It has always been the Group's priority to take responsibility over the maintenance of a productive workplace by minimising the risk of accidents, injuries or infections. The Group's policies concerning the safety and health clearly defines the necessary standards which ought to be observed by all levels of employees in the Group.

At present, the environment, health and safety management at workplace is managed by the Environment, Health and Safety Committee ("EHS Committee") which is made up of representatives from both the management and the employees in compliance with Environmental Quality Act 1974, Occupational Safety and Health Act 1994, and Factories & Machinery Act 1967, guided by the Safety and Health Policy established by the EHS Committee. In general, the main responsibilities of EHS Committee are inclusive of the identification of anticipated hazards, assessment of corresponding risks to safety and health and formulating controls to eliminate the corresponding hazards. The EHS Committee is currently headed by a senior management team member, who is tasked to oversee and monitor the health and safety management of the respective operating sites, including the performance of risk assessment, inspections, compliance checks, attending complaints and implementation of corrective actions plans.

SUSTAINABILITY STATEMENT

Health and Safety Initiatives (cont'd)

The Group's Safety Rules are established to ensure the operational activities are carried in compliance with the legal requirements as well as to minimise the occurrence of industrial accidents. The Group has employed a Qualified Safety and Health Officer ("SH Officer") to oversee due observance of safety and health rules and regulations established at workplace and to promote safe environment and healthy conducts at workplace. Additionally, relevant awareness programmes for safety and health are also established and implemented to enhance the competence level amongst the stakeholders to uphold the safety and health during the executions of their respective duties and responsibilities. To enhance employee safety and health awareness and to prevent workplace accidents, the Group provides ongoing training programmes which include both tailored and general trainings, such as:-

Tailored-made training	General safety and health training
• For specific types of work routines and their associated health and safety risks.	• Providing awareness and education to employees regarding occupational and non-occupational health and safety issues.

The aforesaid initiatives are well embedded in the Group's sustainability governance structure in managing the occupational safety and health related matters.

Similarly, an EHS committee is established at our construction site, with a qualified Health and Safety Officer ("SHO") and Site Safety Supervisor ("SSS") personnel to implement, oversee, and manage the safety measurements. Generally, they are responsible to ensure a safe working environment is provided to our construction workers, and ensure the safety procedures and strictly practices and followed. To achieve this, a series of health and safety activities are regularly conducted, including weekly toolbox meeting, weekly site inspection, and fortnightly fogging and larva-ceding activity, amongst others. With these measurements in place, we are delighted to report that the site has successfully completed 814,455 cumulative man-hours, with zero lost time injury ("LTI") being reported as of February 2021.

Undoubtedly, the Group would continue to place great attention on the well-being and benefits of the workforce. The said objective can be defined and demonstrated via the implementation, execution and improvement of the Group's key policies and guidelines. Throughout the year, additional benefits were introduced to enhance the safety and quality of the workplace such as greater medical protection scheme and better facilities and practices.

For the financial year ended 31 March 2021, the number of health and safety related incidents can be exemplified as follows:-

2020	2021
8	6

With the above operational controls, there was no fatal injury reported during financial year ended 31 March 2021. There was neither legal action taken nor any fine or monetary sanction imposed against the Group in relation to occupational safety and health aspects for the said financial year as well.

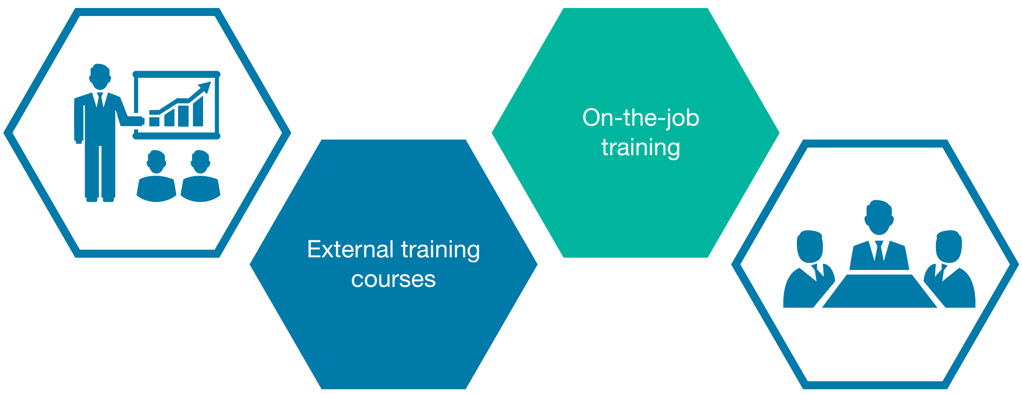
SUSTAINABILITY **STATEMENT**

Employees' Welfare and Wellbeing

In YLI, as always, we continue to invest in our human capital in achieving our strategic priorities. The Group always appreciate and value the importance of employees' contribution, placing great level of emphasis with employees' wellbeing and welfare. The employees' talents, experience and skills remain as valuable commodity to the Group which we aim to maintain and preserve. As such, the Group is responsible for ensuring all levels of employees are being taken care of. The Group believes the human capital is at its best when we are able to fully engage with the employees, it serves as an indicator of a highly motivated workforce.

In order to achieve the said strategic goals, we provide competitive employee benefits, compensation, conducive working environment that promote employees' productivity. On an annually basis, the management would review the employees' benefits by benchmarking against the similar industrial development and trends. Additionally, the operators and non-executives are represented by Metal Industry Employees' Union whereby a collective bargaining agreement are reviewed by the said union every three years. The Group also aim to support our employees in their professional and personal development, whilst equal emphasis is given in recreational programs and facilities to the employees to achieve a quality work life balance environment. At present, the respective Head of Departments, with the assistance from Human Resource Department, are responsible in evaluating and supervising the development opportunities and progress of their subordinates. Moreover, we have developed channels for employees to voice grievances through our grievance reporting system. In the event of actual or suspected misconduct or violation of laws and regulations, an employee can make reports through the Whistle-Blowing Policy, with their identities being protected under the said policy.

The group provides relevant training programmes which are aimed to develop the employees' technical and non-technical skills. We focus on grooming a team with great leadership whilst equipping them with corresponding functional competencies. Generally, these training programmes are conducted in the form of:-



During the year, our employees had attended various courses relating to their professional development, including:-

- ISO 9001:2015 Awareness and Internal Auditors
- Scheduled Waste Management
- Leadership and Effective Supervisory Skill
- Effective Preventive and Predictive Maintenance
- Human Resource Management and Employment Laws Update
- Anti-Bribery and Corruption Policy
- Anti-Money Laundering and Anti-Terrorism Financing
- Cyber Crime and Cybersecurity

SUSTAINABILITY STATEMENT

Employees’ Welfare and Wellbeing (cont'd)

Needless to say, our Human Resource Management policies delineate the fundamental principles in giving fair treatment to all levels of employees within the Group. There is no discrimination of gender, race, religion, ethnicity, sexual orientation and nationality, with strict enforcement of no illegal or child labour in our work place. The Group is in strict compliance of the relevant rules and regulations pertaining to the labour practices in the country, such as minimum wages, statutory contributions and employment practices. The career scale system is also developed for employees’ career advancement, which made is visible to all employees with formal succession planning put in place hence enabling the retention of Group’s best talent.

MOVING TOWARDS A SUSTAINABLE FUTURE

Sustainable development is an essential aspect to the Group’s success. Therefore, it will be an ongoing commitment for the Group to embed sustainability into our day-to-day operational activities. Our ambitions are simple and straight-forward – to create shared values with our stakeholders, from attaining profitable growth, to contributing in the development of sustainable environment and society. On this account, we strive to ensure that our engagements with stakeholders are structured and constructive, whereby their feedback and expectations are duly considered along our journey towards sustainability.

SECTION III

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE ("MCCG")

The Board of Directors of YLI Holdings Berhad ("YLI") wishes to present this statement to its shareholders and stakeholders with an overview of YLI's application of the Malaysian Code on Corporate Governance ("MCCG") practices for the financial year ended 31 March 2021.

The meaningful explanation of how the Company applied each of the MCCG's practices including its explanations and alternative practices for any departure of the MCCG practices are described in detail in the Corporate Governance ("CG") Report, which is published at our corporate website at www.yli.com.my.

The Board of YLI recognises the importance of adopting good corporate governance in its efforts to direct and manage the business and affairs of the company towards promoting business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value while taking into account the interest of other stakeholders.

As such, the Board fully supports all the 32 practices as set out in the MCCG, by applying the best corporate governance standard through the company's structures, systems, processes and development of a corporate governance culture and environment, and by implementing almost all of the practices in substance to achieve the intended outcomes of building and supporting a strong corporate governance culture throughout the company.

In line with this commitment, the Board has continuously reviewed and where appropriate, taken the necessary steps to implement all the practices of the MCCG and to provide a fair and meaningful disclosure on the company's corporate governance practices.

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

Principle A - Board Leadership and Effectiveness

The Board Charter has been revised to align with the spirit and the Intended Outcome of the MCCG, in the following areas:

i. Separation of positions of Chairman and Managing Director;
ii. Responsibilities of the Chairman;
iii. Board composition to have at least half of Independent and Non-Executive Directors ("INED");
iv. Duties and responsibilities of Board, Board Committees, Managing Director, Senior Independent Director and Company Secretaries; and
v. Board meeting administration.

The revised Board Charter is available in our corporate website at www.yli.com.my.

The current composition of the Board comprises five (5) directors, of whom three (3) are Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Chairman and one (1) Executive Director. The current Board composition complies with the best practice of having at least half of the Board comprising Independent Directors.

During the financial year ended 31 March 2021, five (5) Board Meetings were held. Details of the attendance of Directors at the Board Meetings are as follows:-

	Board of Directors' Meeting		Jun' 20	Aug' 20	Sep' 20	Nov' 20	Feb' 21	
	Directors	Position	Attendance					Total
1	Dato' Haji Samsuri Bin Rahmat	Non-Executive Chairman	•	•	•	•	•	5/5
2	Seah Heng Chin	Managing Director	•	•	•	•	•	5/5
3	Tan Sri Dato' Academician Ir (Dr) Ahmad Zaidee Bin Laidin	Director	•	•	•	•	•	5/5
4	Mohammad Khayat Bin Idris	Director	•	•	Retired on 28 September 2020	-	-	2/2
5	Dr Abdul Latif Bin Shaikh Mohamed	Director	•	•	•	•	•	5/5
6	Datuk Haji Jalaludin Bin Haji Ibrahim	Director	•	•	•	•	•	5/5

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (CONT'D)

Principle A - Board Leadership and Effectiveness (Cont'd)

Based on the above, all Directors have completed with the minimum of 50% attendance requirement in respect of Board Meetings as stipulated in Para 15.05 of the Bursa Securities Main Market Listing Requirement ("MMLR"). The Board is satisfied with the level of commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out above. All the Directors had attended the Directors' Mandatory Accreditation Programme ("MAP"). The Directors will continue to attend various professional programmes necessary to enhance their professionalism in the discharge of their duties.

During the financial year ended 31 March 2021, the Directors have evaluated their own training needs on a continuous basis and attended the following:-

Directors	Types of training
Dato' Haji Samsuri Bin Rahmat Seah Heng Chin Tan Sri Dato' Academician Ir (Dr) Ahmad Zaidee Bin Laidin Dr Abdul Latif Bin Shaikh Mohamed Datuk Haji Jalaludin Bin Haji Ibrahim	1. Anti-Money Laundering and Anti-Terrorism Financing; and 2. Cyber Crime and Cyber Security

The Board through the Nomination Committee periodically reviews its required mix of skills and experience and other qualities, including core competencies that Non-Executive Directors should bring to the Board. The Nomination Committee will carry out its duties and responsibilities as set out in its Terms of Reference which can be viewed on the Company's website. The Nomination Committee will convene its meeting at least once a year and they may invite other Board members, officers of the Company, employees and any other external parties to attend meetings or part thereof as and when necessary. Through its Chairman, the Nomination Committee reports to the Board on matters discussed at the next Board of Directors' Meeting after each meeting. The Company Secretary is the Secretary to the Nomination Committee.

In accordance with the Company's Constitution, an election of Directors shall take place each year. All Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Newly appointed directors shall hold office only until the next Annual General Meeting and shall be eligible for re-election.

The Nomination Committee is also responsible for recommending to the Board those Directors who are eligible to stand for re-election/re-appointment. The Nomination Committee assessed and was satisfied and made recommendations to the Board for their re-election with regards to the re-election of the director, namely Tan Sri Dato' Academician Ir (Dr) Ahmad Zaidee Bin Laidin who are due for retirement but shall be eligible for re-election at the forthcoming AGM to be held on 14 September 2021.

During the financial year ended 31 March 2021, the Nomination Committee held two (2) meetings and carried out the following activities in the discharge of its functions and duties:-

(1) Assessed the Board and Board Committees and contributions of each Director.
(2) Reviewed the structure, size, balance, composition and effectiveness of the Board and Committees.
(3) Reviewed and recommended to the Board for re-election of the Directors who retired under the Constitution.
(4) Assessed the independence of independent directors.
(5) Reviewed the terms of office and performance of the Audit Committee and each of its Members.
(6) Reviewed the Terms of Reference of Nomination Committee.
(7) Reviewed and recommended the resignation, re-designation and appointment of Directors.
(8) Reviewed and recommended the reappointment of Directors as Independent Non-Executive Director.
(9) Conducted the annual assessment of the Company Secretary.
(10) Reviewed the training needs of the Directors.
(11) Recommended the appointment of additional member to the Nomination, Remuneration and Audit Committee.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (CONT'D)

Principle A - Board Leadership and Effectiveness (Cont'd)

At present, the Company adopts a gender diversity policy which encapsulates the objectives, principles and measures of the Group's diversity standpoint. In summary, the Board is supportive in upholding gender diversity within the boardroom and the management alongside due consideration on merited factors, such as, skills, experience, attitude and suitability of any potential candidates. Hence, as part of the Company's succession planning, gender diversity objectives will constantly be observed as a key consideration by the Company even without any specific targets determined. Additionally, the Board will look into the scope and measures of the policy on a regular basis, in ensuring its on-going effectiveness and applicability.

The Gender Diversity Policy, the Code of Conduct for Directors and whistleblowing policy have been established and published on the Company's website www.yli.com.my.

The Board has justified and sought shareholders' approval at the forthcoming Annual General Meeting of the Company to retain its independent director who has served on the Board for a cumulative term of more than nine (9) years. At present, one of the Independent Director has exceeded the twelve (12) years tenure. The Board will seek for shareholders' approval through a two-tier voting process to retain the said Director as an Independent Director.

The Remuneration Committee recommends to the Board for approval the remuneration package of Directors. The remuneration system takes into account individual performance, comparison of the Company's actual performance relative to other companies in the same sector and additional responsibilities of the Directors. The Board has in place a Remuneration Policy to determine the remuneration of Directors and Senior Management. The policy is periodically reviewed and made available on the Company's website at www.yli.com.my.

To enable stakeholders to assess whether the remuneration of Directors commensurate with their individual performance, the detailed disclosure on named basis for the remuneration of Directors for the financial year ended 31 March 2021 is disclosed below:-

	Director's Fee (RM)	Salary and Other Emoluments (RM)	Contribution to Defined Contribution Plans (RM)	Benefit-in-Kind (RM)
Dato' Haji Samsuri Bin Rahmat	31,128	90,380	-	60,546
Mr Seah Heng Chin	42,000	469,262	64,840	29,900
Tan Sri Dato' Academician Ir (Dr) Ahmad Zaidee Bin Laidin	6,000	30,000	-	20,000
En Mohammad Khayat Bin Idris *(Retired on 28 September 2020)*	3,000	16,000	-	20,000
Dr Abdul Latif Bin Shaikh Mohamed	6,000	35,000	-	20,000
Datuk Haji Jalaludin Bin Haji Ibrahim	6,000	29,000	-	4,809
Total	94,128	669,642	64,840	155,255

However, the Board departed Practice 7.2 by only disclosing the top five Senior Management's remuneration in bands of RM50,000 and without named basis. The Board chooses a more general alternative disclosure of the Senior Management's remuneration in order to allay valid concerns on invasion of staff confidentiality and the Company's ability to retain right talented Senior Management in view of the competitive employment environment of the Group's business.

The top 5 senior management's remuneration in bands of RM50,000 are disclosed as follows:-

Top 5 senior management	Number of Senior Management
RM50,001 - RM100,000	1
RM150,001 - RM200,000	2
RM200,001 - RM250,000	1
RM300,001 - RM350,000	1

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (CONT'D)

Principle B - Effective Audit and Risk Management

YLI has an effective and independent Audit Committee. As the Chairman of the Audit Committee is not the Chairman of the Board, all members of the Audit Committee are independent Non-Executive Directors and all members are financially literate and possess a wide range of necessary skills to discharge their duties. The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee. The Audit Committee has assessed the suitability, objectivity and independence of the external auditors.

The Terms of Reference of the Audit Committee has also been revised to take cognisance of the new MCCG practices and is published in our corporate website at www.yli.com.my.

The Board has established an effective risk management and internal control framework to safeguard the Group's business interests from risk events that may impede the achievement of its business strategies and growth opportunities besides providing reasonable assurance to all stakeholders that internal controls are effective.

The Group's internal audit function ("IAF") is outsourced to a professional accounting and consulting firm, BDO Governance Advisory Sdn. Bhd. ("BDO") that adopts internal audit standards and best practices based on the International Professional Practices Framework ("IPPF") endorsed by the Institute of Internal Auditors Malaysia. The IAF team is headed by an Executive Director – Advisory who is a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants and is assisted by three (3) staff which includes a manager.

BDO is sufficiently resourced to provide the services that meet with the Group's required service level in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control systems. All personnel deployed by BDO are free from any relationships or conflicts of interest, which could impair their objectivity and independence during their course of work. The Internal Auditors report directly to the Chairman of the Audit Committee.

Principle C - Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

YLI always keeps shareholders informed by announcements and time release of quarterly financial results through Bursa Link, press releases, annual report and circular to shareholders.

At the previous AGM of the Company held on 28 September 2020, the Company has conducted its first fully virtual AGM and all the Directors were present at the broadcast venue. Due to the restrictions imposed by the Malaysian Government and as advised by the Securities Commission, only essential individuals were physical present at the broadcast venue while, the External Auditors and shareholders participated the meeting remotely.

In line with good corporate governance practice, YLI had issued the Notice of its 25th Annual General Meeting ("AGM") and Annual Report to the shareholders more than 28 days before the AGM. Each item of special business included in the notice of meeting is accompanied by explanation to facilitate an understanding of the proposed resolution so as to enable shareholders to make informed voting decisions at the AGM. The voting at the AGM was conducted though remote participation voting facilities. The outcome of AGM was announced to Bursa Malaysia Securities Berhad immediately and the proceedings of the AGM were subsequently uploaded to the Company's website.

The Company maintains a website, www.yli.com.my that allows the shareholders, investors and members of the public to gain access to information and new events relating to the Group.

COMPLIANCE WITH THE MCCG

The Board is of the opinion that the Group had complied with the spirit and objectives of the MCCG. Although, there are departures from several practices as recommended in the MCCG, the Board believes that there are justifiable reasons for the departures and that the overall corporate governance of the Group is not compromised. Nevertheless, YLI will continue to strengthen its governance practices to safeguard the best interest of its shareholders and other stakeholders.

This Corporate Governance Overview Statement was approved by the Board on 28 May 2021.

ADDITIONAL COMPLIANCE INFORMATION

OTHER DISCLOSURE REQUIREMENTS PURSUANT TO THE LISTING REQUIREMENTS OF BURSA SECURITIES

UTILISATION OF PROCEEDS RAISED FROM CORPORATE EXERCISE

No proceeds were raised by the Company from any corporate proposal.

MATERIAL CONTRACT

There were no material contracts of the Company and its subsidiaries involving Directors' and/or Major Shareholders' interest.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPT")

The Company did not enter into any RRPT.

AUDIT AND NON-AUDIT FEES

During the financial year, the amount of audit and non-audit fees paid/payable to the external auditors by the Company and the Group respectively for the financial year ended 31 March 2021 were as follows:

	Group (RM)	Company (RM)
Audit Fees	156,000	62,500
Non-Audit Fees	15,550	5,000

The non-audit fees were in respect of the review of the Statement of Risk Management and Internal Control as well as tax services.

AUDIT COMMITTEE REPORT

Chairman

Dr Abdul Latif Bin Shaikh Mohamed
Independent Non-Executive Director

Members

Tan Sri Dato' Academician Ir (Dr) Ahmad Zaidee Bin Laidin
Independent Non-Executive Director

Datuk Haji Jalaludin Bin Haji Ibrahim
Independent Non-Executive Director

TERMS OF REFERENCE

The Terms of Reference of the Audit Committee can be viewed in the Board Charter in the Company's website at www.yli.com.my.

DETAILS OF ATTENDANCE OF MEMBERS AT AUDIT COMMITTEE MEETINGS

For the financial year ended 31 March 2021, four (4) Audit Committee meetings were held.

The attendance of each member is set out below:

Committee Members	Position	Jun '20	Aug '20	Nov '20	Feb '21	Total
		Attendance				
Dr Abdul Latif Bin Shaikh Mohamed	Chairman	•	•	•	•	4/4
Tan Sri Dato' Academician Ir (Dr) Ahmad Zaidee Bin Laidin	Member	•	•	•	•	4/4
Mohammad Khayat Bin Idris *(retired on 28 September 2020)*	Member	•	•	-	-	2/2
Datuk Haji Jalaludin Bin Haji Ibrahim *(appointed as member on 28 September 2020)*	Member	-	-	•	•	2/2

Total number of meetings held: 4

SUMMARY OF WORK OF THE AUDIT COMMITTEE

The Audit Committee ("AC") in discharging their duties and functions in accordance with their Terms of Reference had carried out their works during the financial year ended 31 March 2021 as follows:-

1. The AC had ensured that the quarterly results of YLI Group complied with the Malaysian Financial Reporting Standard ("MFRS") and paragraph 9.22 of MMLR. The quarterly financial results for the 4th quarter ended 31 March 2020, 1st quarter ended 30 June 2020, 2nd quarter ended 30 September 2020 and 3rd quarter ended 31 December 2020 were reviewed by the AC at their meetings held on 24 June 2020, 27 August 2020, 26 November 2020 and 25 February 2021.

2. At the AC Meeting held on 24 June 2020, the AC discussed with the external auditors their Audit Review Memorandum. The AC also reviewed the Statement on Risk Management and Internal Control and the Audit Committee Report and recommended to the Board for approval and for inclusion in the 2020 Annual Report. The AC also approved the Internal Audit Plan for 2021. The AC received the Progress Update Summary of the Sustainability Report from the Internal Auditors. The AC also recommended the external auditors to be re-appointed at the annual general meeting of the Company to be held in 2020. The AC also reviewed the Terms of Reference of the AC. The AC also discussed and evaluated the potential acquisition which will be subjected to the due diligence exercise. The AC reviewed the Business Plan and Budget for Financial Year Ended 31 March 2021 and recommended the same to the Board.

3. At the AC meeting held on 27 August 2020, the AC received the report on the Internal Control Review on Procure to Pay of MRPI Pipes Sdn. Bhd. from the Internal Auditors.

AUDIT COMMITTEE REPORT

SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONT'D)

4. At the AC meeting held on 26 November 2020, the AC received the report on the Internal Control Review on Sales to Receipt at Laksana Wibawa Sdn. Bhd. ("LWSB") from the Internal Auditors. The AC received the External Audit Plan for the year ending 31 March 2021 from the External Auditors. The AC has also noted the Publication on the Effectiveness of Internal Audit Function Thematic Review Findings and Key Takeaways which was co-published by Bursa and the Institute of Internal Auditors Malaysia.

5. At the AC meeting held on 25 February 2021, the AC received the report on the Internal Control Review on Human Resource Management of Yew Lean Foundry & Co. Sdn. Bhd. The AC also reviewed the Internal Audit Plan for the Financial Year Ending 31 March 2022.

6. At each quarterly meeting, the AC discussed whether there were any related party transactions and conflicts of interest situation that may arise within the Group and asserted that there were no related party transactions for the year ended 31 March 2021.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Group's internal audit function has been outsourced since June 2008. The total costs incurred for internal audit amounted to RM94,074 for the year ended 31 March 2021.

The Group's internal audit activities are mainly carried out in accordance with the annual audit plan that has been tabled to the AC for its review and approval and selected ad-hoc audits on management's requests. The internal auditor adopted risk based approach and focuses on financial, operational, compliance with applicable laws and assesses the adequacy of internal controls as well as the effectiveness of risk management framework for key operating companies within the Group. The representative of the internal auditor reports directly to the AC and assists the AC to monitor and manage risks and provide the AC with independent views on the effectiveness of the system of internal control after their reviews. The internal audit findings and recommendations of the internal auditor are reviewed quarterly by the AC and their recommendations for improvements on control and minutes of AC meetings are circulated to the Board.

The internal auditors carried out their duties during the financial year ended 31 March 2021 in accordance with their Internal Audit Plan and a summary of their activities are as follows:-

(a) On 24 June 2020, the Internal Auditor presented to the AC their report on Sustainability Statement that was prepared in line with Practice 9 of the Main Market Listing Requirements.

(b) On 27 August 2020, the Internal Auditor presented to the AC their report on Internal Control Review on MRPI Pipes Sdn. Bhd. - Procure to Pay.

(c) On 26 November 2020, the Internal Auditor presented to the AC the Internal Control Review Report on Sales to Receipt at Laksana Wibawa Sdn. Bhd. ("LWSB").

(d) On 25 February 2021, the Internal Auditor briefed the AC on the findings in respect of their scope of review on Human Resource Management of Yew Lean Foundry & Co. Sdn. Bhd. They also informed the AC that all previous audit findings for LWSB had been followed-up and implemented accordingly.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code of Corporate Governance 2017 requires listed companies to maintain a sound system of risk management and internal control to safeguard shareholders' investment and the Group's assets.

Guided by the Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers, the Board of Director of YLI Holdings Berhad is pleased to present the Statement on Risk Management and Internal Control which is prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad.

RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises its overall responsibility for the Group's systems of risk management and internal control for reviewing the adequacy and integrity of those systems. In view of the limitations that are inherent in any systems of internal control, the systems of risk management and internal control are designed to manage risk within tolerable levels rather than eliminate the risk of failure to achieve business objectives. Hence, such system by its nature can only provide reasonable and not absolute assurance against material misstatement, error or losses.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced, or potentially exposed to, by the Group in pursuing its business objectives. This process has been in place throughout the financial year and up to the date of approval of this statement. The adequacy and effectiveness of this process have been continually reviewed by the Board and are in accordance with the said Guidance in respect of risk management and internal control.

RISK MANAGEMENT

The Board and the management practice proactive significant risks identification in the processes and activities of the Group, particularly in major proposed transactions, changes in nature of activities and/or operating environment, or venturing into new operating environment which may entail different risks, and put in place the appropriate risk response strategies and controls until those risks are managed to, and maintained at, a tolerance level acceptable by the Board.

INTERNAL AUDIT

The Board acknowledges the importance of internal audit function and has outsourced its internal audit function to an independent professional accounting and consulting firm, BDO Governance Advisory Sdn. Bhd. as part of its efforts to provide adequate and effective internal control systems. The performance of internal audit function is carried out as per the annual audit plan approved by the Audit Committee.

The internal audit adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. The audit focuses on high-risk area to ensure that an adequate action plan has in place to improve the controls in place. The audit ascertains that the risks are effectively mitigated by the controls. On a quarterly basis or earlier as appropriate, the internal auditors report to the Audit Committee on areas for improvement. The highlighted areas will be followed up closely to determine the extent of their recommendations that have been implemented by the management.

The Group's risk management and internal control system covered key operating companies within the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:

- An organisation structure with well-defined scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority;
- A process of hierarchical reporting which provides a documented and auditable trail of accountability;
- A set of documented internal policies and procedures which is subject to review and improvement when needed;
- Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- Quarterly monitoring of results against budget, with major variances being followed up and management action taken, where necessary; and
- Regular visits to operating units by members of the Board and senior management.

WHISTLE BLOWING POLICY

A Whistle Blowing Policy for the Group has been adopted effective 23 February 2012. The policy is built into the Group's culture, abhorrence for fraud, and aims to provide broad principles and strategy for the Group to adopt in relation to fraud in order to promote high standard of integrity. It also promotes a transparent and open environment for fraud reporting within the Group. The Policy reaffirms the Board's commitment to safeguard those who report in good faith against any form of reprisal.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement for inclusion in the 2021 Annual Report. As set out in their terms of engagement, the limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report.

The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement intended to be included in the annual report is not prepared, in all material respects, 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 to be set out, nor is this Statement factually inaccurate.

CONCLUSION

The Board has received assurance from Group Managing Director that the Group's risk management and internal control systems have been operating adequately and effectively, in all material aspects, during the financial year under review and up to date of this statement. Taking this assurance into consideration, the Board is of the view that there were no significant weaknesses in the current systems of risk management and internal control of the Group that may have material impact on the operations of the Group for the financial year ended 31 March 2021. The Board and the management will continue to take necessary measures and ongoing commitment to strengthen and improve its internal control environment and risk management.

This statement is issued in accordance with a resolution of the Directors dated 28 May 2021.

DIRECTORS' RESPONSIBILITY STATEMENT **IN RESPECT OF ANNUAL AUDITED FINANCIAL STATEMENTS**

The Directors are required by the Companies Act 2016 ("CA") to prepare financial statements for each financial year which have been made out in accordance with the applicable Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Standards ("IFRSs") and the requirements of the CA in Malaysia. The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of their financial performance and cash flows for the year then ended.

In preparing the financial statements, the Directors have:-

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates where applicable that are prudent, just and reasonable; and
- prepared the financial statements on a going concern basis.

The Directors also have a general responsibility for taking reasonable steps to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

SECTION IV

FINANCIAL STATEMENTS

DIRECTORS' REPORT

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of the Group consist of manufacturing and trading of ductile iron pipes, steel and plastic pipes and fittings and waterworks related products, construction work and project management for waterworks and sewerage industry. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

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

RESULTS

	GROUP RM'000	COMPANY RM'000
Loss for the financial year	**(1,126)**	**(4,755)**
Attributable to:		
Owners of the Company	**(239)**	**(4,755)**
Non-controlling interests	**(887)**	**-**
	(1,126)	**(4,755)**

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 March 2021.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

In the opinion of the directors, no contingent or other liability of the Group or 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 will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

TREASURY SHARES

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

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

The number of treasury shares held at the end of the financial year was 121,000 (2020: 121,000) units. Such treasury shares are held at a carrying amount of RM107,620 (2020: RM107,620).

As at 31 March 2021, the number of outstanding shares in issue after setting off treasury shares against equity is 102,829,873 (2020: 102,829,873) shares.

DIRECTORS' **REPORT**

DIRECTORS

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

Dato' Haji Samsuri Bin Rahmat *
Tan Sri Dato' Academician Ir (Dr) Ahmad Zaidee Bin Laidin
Seah Heng Chin *
Dr Abdul Latif Bin Shaikh Mohamed
Datuk Haji Jalaludin Bin Haji Ibrahim
Mohammad Khayat Bin Idris (Retired on 28 September 2020)

* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Haji Ruzlan Bin Rahmat
Aidil Bin Abdul Aziz
Hong Gaik Im
Zainuddin Bin Othman
Radin Muhd Nur Amri Bin Radin Abd Khalim
Mohd Rashidi Bin Rawi @ Mohd Rawi

DIRECTORS' INTERESTS

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

	NUMBER OF ORDINARY SHARES			
	AT 1 APRIL 2020 '000	BOUGHT '000	SOLD '000	AT 31 MARCH 2021 '000
The Company				
Deemed Interest:				
Dato' Haji Samsuri Bin Rahmat *	32,510	-	-	**32,510**
Seah Heng Chin *	32,510	-	-	**32,510**

* Deemed interest in YLI Holdings Berhad ("YLI") by virtue of their substantial shareholding in Suasana Karisma Sdn. Bhd.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares or debentures of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed in Note 23 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, no indemnity was given to or insurance effected for, any director or officer of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

The available auditors' reports on the accounts of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF FINANCIAL YEAR

Details of significant events and subsequent to the end of financial year are disclosed in Note 32 to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 22 to the financial statements.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

DATO' HAJI SAMSURI BIN RAHMAT
Director

SEAH HENG CHIN
Director

Date: 21 July 2021

STATEMENTS OF FINANCIAL POSITION
as at 31 March 2021

	NOTE	GROUP 2021 RM'000	GROUP 2020 RM'000 (RESTATED)	COMPANY 2021 RM'000	COMPANY 2020 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**75,021**	76,714	**-**	-
Investment in subsidiaries	6	**-**	-	**67,933**	72,197
Total non-current assets		**75,021**	76,714	**67,933**	72,197
Current assets					
Inventories	7	**56,503**	54,349	**-**	-
Current tax assets		**425**	345	**8**	5
Trade and other receivables	8	**42,902**	45,395	**60**	60
Contract assets	9	**8,926**	8,471	**-**	-
Cash and short-term deposits	10	**14,318**	15,083	**204**	714
Total current assets		**123,074**	123,643	**272**	779
TOTAL ASSETS		**198,095**	200,357	**68,205**	72,976
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	11	**110,159**	110,159	**110,159**	110,159
Treasury shares	12	**(108)**	(108)	**(108)**	(108)
Other reserves	13	**(1,467)**	(1,467)	**(1,467)**	(1,467)
Retained earnings/(Accumulated losses)		**12,652**	12,891	**(40,491)**	(35,736)
		121,236	121,475	**68,093**	72,848
Non-controlling interests		**(10,793)**	(9,906)	**-**	-
TOTAL EQUITY		**110,443**	111,569	**68,093**	72,848
Non-current liabilities					
Deferred tax liabilities	14	**779**	763	**-**	-
Loans and borrowings	15	**462**	613	**-**	-
Total non-current liabilities		**1,241**	1,376	**-**	-
Current liabilities					
Provision for legal claim	16	**-**	1,178	**-**	-
Trade and other payables	17	**39,001**	39,544	**112**	128
Contract liabilities	9	**1,179**	129	**-**	-
Loans and borrowings	15	**46,231**	46,560	**-**	-
Currrent tax liabilities		**-**	1	**-**	-
Total current liabilities		**86,411**	87,412	**112**	128
TOTAL LIABILITIES		**87,652**	88,788	**112**	128
TOTAL EQUITY AND LIABILITIES		**198,095**	200,357	**68,205**	72,976

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

STATEMENTS OF **COMPREHENSIVE INCOME**
for the financial year ended 31 March 2021

	NOTE	GROUP 2021 RM'000	GROUP 2020 RM'000	COMPANY 2021 RM'000	COMPANY 2020 RM'000
Revenue	18	**103,174**	97,120	**113**	161
Cost of sales	19	**(93,880)**	(93,275)	**-**	-
Gross profit		**9,294**	3,845	**113**	161
Other income		**507**	1,008	**-**	865
Selling and distribution expenses		**(1,923)**	(2,172)	**-**	-
Administrative expenses		**(7,591)**	(10,174)	**(4,868)**	(1,113)
Net of impairment losses on financial assets		**130**	5	**-**	-
Operating profit/(loss)		**417**	(7,488)	**(4,755)**	(87)
Finance costs	20	**(2,510)**	(3,232)	**-**	-
Finance income	21	**1,005**	371	**-**	-
Loss before tax	22	**(1,088)**	(10,349)	**(4,755)**	(87)
Income tax (expense)/credit	24	**(38)**	234	**-**	-
Loss for the financial year, representing the total comprehensive loss for the financial year		**(1,126)**	(10,115)	**(4,755)**	(87)
Loss attributable to:					
Owners of the Company		**(239)**	(7,837)	**(4,755)**	(87)
Non-controlling interests		**(887)**	(2,278)	**-**	-
		(1,126)	(10,115)	**(4,755)**	(87)
Total comprehensive loss attributable to:					
Owners of the Company		**(239)**	(7,837)	**(4,755)**	(87)
Non-controlling interests		**(887)**	(2,278)	**-**	-
		(1,126)	(10,115)	**(4,755)**	(87)
Loss per share attributable to owners of the Company (sen):					
- Basic	25	**(0.23)**	(7.62)		
- Diluted	25	**(0.23)**	(7.62)		

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

STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 31 March 2021

GROUP	SHARE CAPITAL RM'000	TREASURY SHARES RM'000	NON-DISTRIBUTABLE CAPITAL RESERVE RM'000	RETAINED EARNINGS RM'000	SUB-TOTAL RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
At 1 April 2019	110,159	(108)	(1,467)	20,728	129,312	(7,628)	121,684
Total comprehensive loss for the financial year	-	-	-	(7,837)	(7,837)	(2,278)	(10,115)
At 31 March 2020	110,159	(108)	(1,467)	12,891	121,475	(9,906)	111,569
Total comprehensive loss for the financial year	-	-	-	(239)	(239)	(887)	(1,126)
At 31 March 2021	**110,159**	**(108)**	**(1,467)**	**12,652**	**121,236**	**(10,793)**	**110,443**

COMPANY	SHARE CAPITAL RM'000	TREASURY SHARES RM'000	NON-DISTRIBUTABLE CAPITAL RESERVE RM'000	ACCUMULATED LOSSES RM'000	TOTAL EQUITY RM'000
At 1 April 2019	110,159	(108)	(1,467)	(35,649)	72,935
Loss for the financial year	-	-	-	(87)	(87)
At 31 March 2020	110,159	(108)	(1,467)	(35,736)	72,848
Loss for the financial year	-	-	-	(4,755)	(4,755)
At 31 March 2021	**110,159**	**(108)**	**(1,467)**	**(40,491)**	**68,093**

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

STATEMENTS OF CASH FLOWS
for the financial year ended 31 March 2021

	NOTE	GROUP 2021 RM'000	GROUP 2020 RM'000 (RESTATED)	COMPANY 2021 RM'000	COMPANY 2020 RM'000
Cash flows from operating activities					
Loss before tax		**(1,088)**	(10,349)	**(4,755)**	(87)
Adjustments for:					
Bad debts written off		**-**	16	**-**	-
Depreciation of property, plant and equipment		**3,569**	3,639	**-**	-
Expected credit losses on trade and other receivables		**-**	32	**-**	-
Fair value gain on remeasurement of contingent consideration payables		**-**	(840)	**-**	(840)
Loss/(Gain) on disposal of property, plant and equipment		**31**	(7)	**-**	-
Impairment loss on investment in subsidiaries		**-**	-	**4,097**	-
Impairment loss on property, plant and equipment		**-**	200	**-**	-
Interest on late payment written back		**(782)**	-	**-**	-
Interest income		**(226)**	(422)	**(3)**	(51)
Interest expense		**2,510**	3,232	**-**	-
Reversal of expected credit losses on trade and other receivables		**(130)**	(37)	**-**	-
Deposit written off		**21**	-	**-**	-
(Reversal of)/Provision for legal claim		**(332)**	1,178	**-**	-
Unrealised loss/(gain) on foreign exchange		**13**	(104)	**6**	(59)
Operating profit/(loss) before changes in working capital		**3,586**	(3,462)	**(655)**	(1,037)
Changes in working capital:					
Inventories		**(2,154)**	(4,316)	**-**	-
Trade and other receivables		**2,598**	5,141	**-**	(60)
Contract assets		**(455)**	(1,154)	**-**	-
Trade and other payables		**233**	11,202	**(16)**	(2)
Contract liabilities		**1,050**	(13,080)	**-**	-
Provision for legal claim		**(846)**	-	**-**	-
Net cash generated from/(used in) operations		**4,012**	(5,669)	**(671)**	(1,099)
Income tax (paid)/refund		**(103)**	836	**(3)**	4
Interest paid		**(2,510)**	(3,232)	**-**	-
Interest received		**226**	422	**3**	51
Net cash from/(used in) operating activities		**1,625**	(7,643)	**(671)**	(1,044)
Cash flows from investing activities					
Repayment from/(Advances to) subsidiaries		**-**	-	**167**	(3,028)
Purchase of property, plant and equipment	(b)	**(1,850)**	(4,591)	**-**	-
Proceeds from disposal of property, plant and equipment		**108**	98	**-**	-
Net cash (used in)/generated from investing activities		**(1,742)**	(4,493)	**167**	(3,028)

STATEMENTS OF CASH FLOWS
for the financial year ended 31 March 2021 (Cont'd)

	NOTE	GROUP 2021 RM'000	GROUP 2020 RM'000 (RESTATED)	COMPANY 2021 RM'000	COMPANY 2020 RM'000
Cash flows from financing activities	(c)				
Drawdown of short-term borrowing		**2,196**	2,470	**-**	-
Repayment of finance lease		**(431)**	(512)	**-**	-
Net withdrawal/(placement) of deposits pledged for credit facilities		**2,103**	(325)	**-**	-
Net cash generated from financing activities		**3,868**	1,633	**-**	-
Net increase/(decrease) in cash and cash equivalents		**3,751**	(10,503)	**(504)**	(4,072)
Cash and cash equivalents at the beginning of the financial year		**1,615**	12,044	**714**	4,727
Effects of exchange rate changes on cash and cash equivalents		**(3)**	74	**(6)**	59
Cash and cash equivalents at the end of the financial year	(a)	**5,363**	1,615	**204**	714

(a) Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	NOTE	GROUP 2021 RM'000	GROUP 2020 RM'000	COMPANY 2021 RM'000	COMPANY 2020 RM'000
Short-term deposits	10	**8,483**	9,020	**-**	500
Cash and bank balances	10	**5,835**	6,063	**204**	214
		14,318	15,083	**204**	714
Less: Fixed deposits and bank balances pledged for credit facilities		**(5,074)**	(7,177)	**-**	-
Deposits with maturity periods more than 3 months		**(800)**	(800)	**-**	-
Bank overdrafts	15	**(3,081)**	(5,491)	**-**	-
		5,363	1,615	**204**	714

(i) The short-term deposits of the Group and of the Company bear effective interest at rates ranging from 1.40% to 3.20% (2020: 2.15% to 3.68%) and Nil (2020: 2.15% to 3.68%) per annum respectively and mature within 1 month to 12 months (2020: 1 month to 12 months) and Nil (2020: 1 month to 3 months) respectively.

(ii) Included in deposits with licensed banks and bank balances are fixed deposits and sinking fund which are pledged as security for financing facilities amounting to RM2,437,770 and RM2,636,161 (2020: RM5,015,318 and RM2,161,182) respectively.

Sinking fund is related to memorandum deposit of upfront fixed deposits of RM200,000 and memorandum of deposit over sinking fund to be built up by 10% from each proceeds received up to maximum of RM2.5 million or until end of the facility tenure in relation to the Islamic trade facilities financed by a financial institution.

(iii) The deposits placed with licensed banks for the maturity period more than 3 months bear interest rates of 2.20% (2020: 3.35%) per annum and having a maturity period of 12 months (2020: 12 months).

STATEMENTS OF **CASH FLOWS**
for the financial year ended 31 March 2021 (Cont'd)

(b) Purchase of property, plant and equipment:

	GROUP	
	2021 RM'000	2020 RM'000
Cash payments on purchase of property, plant and equipment	**1,850**	4,591

(c) Total cash outflows for leases

During the financial year, the Group had total cash outflows for leases of RM697,622 (2020: RM571,664).

(d) Reconciliation of liabilities arising from financing activities:

			NON CASH	
	1 APRIL 2020 RM'000	CASH FLOWS RM'000	ADDITION RM'000	31 MARCH 2021 RM'000
Group				
Lease liabilities	1,029	(431)	165	**763**
Short-term borrowings	40,653	2,196	-	**42,849**
	41,682	1,765	165	**43,612**

			NON CASH	
	1 APRIL 2019 RM'000	CASH FLOWS RM'000	ADDITION RM'000	31 MARCH 2020 RM'000
Group				
Lease liabilities/Finance lease liabilities	1,541	(512)	-	**1,029**
Short-term borrowings	38,183	2,470	-	**40,653**
	39,724	1,958	-	**41,682**

NOTES TO THE **FINANCIAL STATEMENTS**
31 March 2021

1. CORPORATE INFORMATION

YLI Holdings Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at No. 45, Lorong Rahim Kajai 13, Taman Tun Dr Ismail, 60000 Kuala Lumpur, Wilayah Persekutuan. The principal place of the business of the Company is located at 2579, Lorong Perusahaan 10, Prai Industrial Estate, 13600 Prai, Penang.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the Group consist of manufacturing and trading of ductile iron pipes, steel and plastic pipes and fittings and waterworks related products, construction work and project management for waterworks and sewerage industry. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 21 July 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases*
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 139	Financial Instruments: Recognition and Measurement

* Early adopted the amendments to MFRS 16 Leases issued by the Malaysian Accounting Standards Board ("MASB") on 5 June 2020 or/and 6 April 2021.

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022^/ 1 January 2023#
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023#

NOTES TO THE FINANCIAL STATEMENTS
31 March 2021

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Cont'd)

The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Cont'd):

		Effective for financial periods beginning on or after
Amendments/Improvements to MFRSs (Cont'd)		
MFRS 4	Insurance Contracts	1 January 2021
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2021/ 1 January 2023#
MFRS 9	Financial Instruments	1 January 2021/ 1 January 2022^/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2021/ 1 January 2022^
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial Instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ *The Annual Improvements to MFRS Standards 2018 - 2020*
\# *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*

The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below.

Annual Improvements to MFRS Standards 2018 - 2020

Annual Improvements to MFRS Standards 2018 - 2020 covers amendments to:

- MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* - simplifies the application of MFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
- MFRS 9 *Financial Instruments* - clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

NOTES TO THE **FINANCIAL STATEMENTS**
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2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Cont'd)

Annual Improvements to MFRS Standards 2018 - 2020 (Cont'd)

Annual Improvements to MFRS Standards 2018 - 2020 covers amendments to (Cont'd):

- Illustrative Examples accompanying MFRS 16 *Leases* - deletes from Illustrative Example 13 the reimbursement relating to leasehold improvements in order to remove any potential confusion regarding the treatment of lease incentives.
- MFRS 141 *Agriculture* - removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in MFRS 141 with those in other MFRS Standards.

Amendments to MFRS 3 Business Combinations

The amendments update MFRS 3 by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version which was issued by Malaysian Accounting Standards Board in April 2018.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases

The *Interest Rate Benchmark Reform - Phase 2* amends some specific requirements in MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16, with respect to issues that affect financial reporting during the reform of an interest rate benchmark.

The amendments provide a practical expedient whereby an entity would not derecognise or adjust the carrying amount of financial instruments for modifications required by interest rate benchmark reform, but would instead update the effective interest rate to reflect the change in the interest rate benchmark. On hedging relationship, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2021

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Cont'd)

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to MFRS 112 Income Taxes

The amendments specify how an entity should account for deferred tax on transactions such as leases and decommissioning obligation.

In specified circumstances, MFRS 112 exempts an entity from recognising deferred tax when it recognises assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations - transactions for which an entity recognises both an asset and a liability. The amendments clarify that the exemption does not apply and that entity is required to recognise deferred tax on such transactions.

Amendments to MFRS 116 Property, Plant and Equipment

The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity shall recognise such sales proceeds and related cost in profit or loss.

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

The Group and the Company are currently assessing the impact of above applicable new MFRS and amendments/improvements to MFRSs to the current and prior period financial statements of the Group and of the Company.

NOTES TO THE **FINANCIAL STATEMENTS**
31 March 2021

2. BASIS OF PREPARATION (CONT'D)

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as disclosed in Note 3 to the financial statements.

2.6 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the Group's and the Company's financial statements are disclosed in Note 4 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method of accounting except for those business combinations which were accounted for using merger method of accounting. Three subsidiaries (i.e. Laksana Wibawa Sdn. Bhd., Haluan Prisma Sdn. Bhd. and MRPI Pipes Sdn. Bhd.) are consolidated using acquisition method of accounting, the rest of the subsidiaries are accounted for using the merger method of accounting.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of subsidiaries are presented as if the business combination had been affected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the difference between costs of acquisition over the nominal value of share capital of the subsidiaries is taken to merger reserve or merger deficit.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(a) Subsidiaries and business combination (Cont'd)

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any 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 (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

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

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

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 statement of financial position. Any gain or loss 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 associate, a joint venture or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

NOTES TO THE **FINANCIAL STATEMENTS**
31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(b) Non-controlling interests

Non-controlling interest represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statements of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interest even if the losses exceed the non-controlling interests.

(c) 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.

Unrealised gains arising from transactions with equity-accounted joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.10(b) to the financial statements.

Contribution to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Foreign currency transactions and operations

Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. 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, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

<u>Debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

- **Amortised cost**

  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(a) to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

NOTES TO THE **FINANCIAL STATEMENTS**
31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (Cont'd)

(a) Subsequent measurement (Cont'd)

The Group and the Company categorise the financial instruments as follows (Cont'd):

(i) Financial assets (Cont'd)

Debt instruments (Cont'd)

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments (Cont'd):

- **Fair value through other comprehensive income (FVOCI)**

  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment is in accordance with Note 3.10(a) to the financial statements. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

- **Fair value through profit or loss (FVPL)**

  Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

  Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

NOTES TO THE **FINANCIAL STATEMENTS**
31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (Cont'd)

(a) Subsequent measurement (Cont'd)

The Group and the Company categorise the financial instruments as follows (Cont'd):

(ii) Financial liabilities

The Group and the Company classify their financial liabilities in the following measurement categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 *Financial Instruments* are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(b) Financial guarantee contracts

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

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

NOTES TO THE FINANCIAL STATEMENTS
31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (Cont'd)

(c) Regular way purchase or sale of financial assets (Cont'd)

Trade date accounting refers to:

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive cash flows from the financial asset expire, or
(ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the 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 expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b) to the financial statements.

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are 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 cost of materials, direct labour and any other direct attributable costs but excludes internal profits.

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

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

Capital work in progress are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on a straight-line basis by allocating their depreciable amounts over their remaining useful lives at the following annual rates:

Flats and buildings	2% - 2.5%
Renovation	10%
Plant, machinery, tools and equipment	2% - 33.3%
Furniture and fittings	5% - 20%
Office and other equipment	8% - 33.3%
Motor vehicles	20%

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

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.6 Leases

(a) Definition of lease

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

NOTES TO THE **FINANCIAL STATEMENTS**
31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (Cont'd)

(b) Lessee accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group and the Company present right-of-use assets that do not meet the definition of investment property in Note 5 to the financial statements and lease liabilities in Note 15 to the financial statements.

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group and the Company expect to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b) to the financial statements.

Lease liability

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

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (Cont'd)

(b) Lessee accounting (Cont'd)

Lease liability (Cont'd)

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "administrative expenses" in the statements of comprehensive income.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group and the Company are intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.6(b) to the financial statements, then it classifies the sub-lease as an operating lease.

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

NOTES TO THE **FINANCIAL STATEMENTS**
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Inventories

Trading inventories, finished goods, inventories-in-transit, work-in-progress and raw materials are stated at the lower of cost determined on the first-in first-out basis and net realisable value.

Cost of finished goods and work-in-progress includes cost of raw materials, direct labour and a proportion of manufacturing overheads (based on normal operating capacity). It excludes borrowing costs. Cost of trading inventories, raw materials, inventories-in-transit and stores and spares includes the original purchase price and the incidental cost of bringing the inventories to their present locations and conditions.

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.

3.8 Contract assets/(liabilities)

Contract asset is the right to consideration in exchange for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Company's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(a) to the financial statements.

Contract liability is the obligation to transfer goods or services to customers for which the Group and the Company have received the consideration or have billed the customers.

3.9 Cash and cash equivalents

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

3.10 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income (FVOCI), contract assets, a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables and contract assets, the Group and the Company apply the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

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

NOTES TO THE **FINANCIAL STATEMENTS**
31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Impairment of assets (Cont'd)

(a) Impairment of financial assets and contract assets (Cont'd)

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument 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.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI 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 that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default of past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of expected credit losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statements of financial position.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Impairment of assets (Cont'd)

(b) Impairment of non-financial assets

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

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

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the 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 CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

3.11 Share capital

(a) Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(b) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid is recognised directly in equity. Repurchased shares that have not been cancelled including any attributable transaction costs are classified as treasury shares and presented as a deduction from total equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount is presented as a movement in equity.

3.12 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Employee benefits (Cont'd)

(b) Defined contribution plans

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.13 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

(a) Legal claims

For lawsuit provisions, a probability-weighted expected outcome is applied in the measurement, taking into account past court judgements made in similar cases and advice of legal experts.

3.14 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group and the Company applied revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics if the Group and the Company reasonably expect that the effects on the financial statements would not differ materially from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

The Group and the Company measure revenue at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group and the Company estimate it by using the costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

NOTES TO THE **FINANCIAL STATEMENTS**
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue and other income (Cont'd)

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group and the Company have assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract, or forms a part of the existing contracts.

Financing components

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(a) Sale of goods

Revenue from sale of manufactured goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term of 30 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

Where consideration is collected from customer in advance for sale of manufactured good, a contract liability is recognised for the customer deposits. Contract liability would be recognised as revenue upon sale of manufactured goods to the customer.

(b) Construction contracts

The Group constructs assets under long-term contracts with customers. Construction service contract comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the assets is transferred over time as the Group creates or enhances an asset that the customer controls as the assets is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of a performance obligation is determined by the proportion of construction cost incurred for work performed to date bear to the estimated total construction costs (an input method).

Sales are made with a credit term of 30 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for construction of properties based on achieving a series of performance-related milestones.

The Group recognises a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing of billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers, then the Group recognises a contract liability for the difference.

(c) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

(d) Dividend income

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue and other income (Cont'd)

(e) Interest income

Interest income is recognised using the effective interest method.

(f) Management fees

Management fees are recognised over time as services are rendered using an output method based on time elapsed to measure progress towards complete satisfaction of the service because the customer simultaneously receives and consumes the benefits provided by the Company.

3.15 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

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

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.16 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current 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.

(a) Current tax

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

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit.

NOTES TO THE **FINANCIAL STATEMENTS**
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Income tax (Cont'd)

(b) Deferred tax (Cont'd)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

(c) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.17 Earnings per share

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

3.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Managing Director of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Fair value measurement

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 and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company 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.

3.20 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial statements include the following:

4.1 Impairment of financial assets and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate ("ECL"). The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group individually assessed to calculate ECL for trade receivables. The individually assessed ECL may be based on indicators such as changes in financial capability of the receivables, and default or significant delay in payments.

NOTES TO THE **FINANCIAL STATEMENTS**
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4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial statements include the following (Cont'd):

4.1 Impairment of financial assets and contract assets (Cont'd)

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

The information about the impairment losses on the Group's financial assets is disclosed in Note 26(b) to the financial statements.

4.2 Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. The Group writes down their obsolete or slow-moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Where expectations differ from the original estimates, the differences will impact the carrying amounts of inventories.

The carrying amounts of the Group's inventories are disclosed in Note 7 to the financial statements.

4.3 Impairment of non-financial assets

The Group and the Company assess impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less costs of disposal for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. The Group and the Company use their judgement to decide the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's and the Company's financial positions and results if the actual cash flows are less than the expected.

The carrying amounts of the non-financial assets are disclosed in Notes 5 and 6 to the financial statements.

4.4 Construction revenue and expenses

The Group recognises construction revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and expenses, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The directors also estimated its total construction revenue after considering any expected liquidated and ascertained damages to be paid to its customers to determine the construction revenue to be recognised.

The carrying amounts of contract assets and contract liabilities are disclosed in Note 9 to the financial statements.

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5. PROPERTY, PLANT AND EQUIPMENT

GROUP 2021	LAND AND BUILDINGS RM'000	PLANT, MACHINERY, TOOLS AND EQUIPMENT RM'000	FURNITURE AND FITTINGS RM'000	OFFICE AND OTHER EQUIPMENT RM'000	MOTOR VEHICLES RM'000	CAPITAL WORK IN PROGRESS RM'000	RIGHT-OF-USE ASSETS RM'000	TOTAL RM'000
Cost								
At 1 April 2020	9,750	125,348	860	1,298	2,808	12,627	64,162	216,853
Additions	83	1,682	5	80	-	-	165	2,015
Disposals	-	(406)	-	-	-	-	-	(406)
At 31 March 2021	**9,833**	**126,624**	**865**	**1,378**	**2,808**	**12,627**	**64,327**	**218,462**
Accumulated depreciation								
At 1 April 2020	2,987	106,813	540	1,044	2,440	-	24,331	138,155
Depreciation charge for the financial year	58	1,933	50	98	75	-	1,355	3,569
Disposals	-	(267)	-	-	-	-	-	(267)
At 31 March 2021	**3,045**	**108,479**	**590**	**1,142**	**2,515**	**-**	**25,686**	**141,457**
Accumulated impairment loss								
At 1 April 2020/ 31 March 2021	**-**	**-**	**-**	**-**	**-**	**1,984**	**-**	**1,984**
Carrying amount								
At 31 March 2021	**6,788**	**18,145**	**275**	**236**	**293**	**10,643**	**38,641**	**75,021**

GROUP 2020	LAND AND BUILDINGS RM'000	PLANT, MACHINERY, TOOLS AND EQUIPMENT RM'000	FURNITURE AND FITTINGS RM'000	OFFICE AND OTHER EQUIPMENT RM'000	MOTOR VEHICLES RM'000	CAPITAL WORK IN PROGRESS RM'000	RIGHT-OF-USE ASSETS RM'000	TOTAL RM'000
Cost								
At 1 April 2019	9,706	120,928	858	1,269	3,636	12,627	64,162	213,186
Additions	44	4,516	2	29	-	-	-	4,591
Disposals	-	(96)	-	-	(828)	-	-	(924)
At 31 March 2020	9,750	125,348	860	1,298	2,808	12,627	64,162	216,853
Accumulated depreciation								
At 1 April 2019	2,923	104,932	521	976	3,123	-	22,874	135,349
Depreciation charge for the financial year	64	1,943	19	68	88	-	1,457	3,639
Disposals	-	(62)	-	-	(771)	-	-	(833)
At 31 March 2020	2,987	106,813	540	1,044	2,440	-	24,331	138,155
Accumulated impairment loss								
At 1 April 2019	-	-	-	-	-	1,784	-	1,784
Charge for the financial year	-	-	-	-	-	200	-	200
At 31 March 2020	-	-	-	-	-	1,984	-	1,984
Carrying amount								
At 31 March 2020	6,763	18,535	320	254	368	10,643	39,831	76,714

NOTES TO THE **FINANCIAL STATEMENTS**
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5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Analysis of land and buildings:

GROUP 2021	FREEHOLD LAND RM'000	BUILDINGS ON FREEHOLD LAND RM'000	RENOVATION RM'000	TOTAL RM'000
Cost				
At 1 April 2020	5,717	867	3,166	9,750
Additions	-	-	83	83
At 31 March 2021	**5,717**	**867**	**3,249**	**9,833**
Accumulated depreciation				
At 1 April 2020	-	298	2,689	2,987
Depreciation charge for the financial year	-	12	46	58
At 31 March 2021	**-**	**310**	**2,735**	**3,045**
Carrying amount				
At 31 March 2021	**5,717**	**557**	**514**	**6,788**

GROUP 2020	FREEHOLD LAND RM'000	BUILDINGS ON FREEHOLD LAND RM'000	RENOVATION RM'000	TOTAL RM'000
Cost				
At 1 April 2019	5,717	867	3,122	9,706
Additions	-	-	44	44
At 31 March 2020	5,717	867	3,166	9,750
Accumulated depreciation				
At 1 April 2019	-	286	2,637	2,923
Depreciation charge for the financial year	-	12	52	64
At 31 March 2020	-	298	2,689	2,987
Carrying amount				
At 31 March 2020	5,717	569	477	6,763

(a) Assets pledged as security

The carrying amount of assets pledged as security for borrowings of a subsidiary (Note 15) are as follows:

	GROUP 2021 RM'000	GROUP 2020 RM'000
Right-of-use assets - Buildings on leasehold land	**10,583**	10,955
Right-of-use assets - Leasehold land	**5,274**	5,344
Freehold land	**1,417**	1,417
	17,274	17,716

(b) Capital work in progress

During the financial year, an impairment loss of RM nil (2020: RM200,000) was recognised in the profit or loss for the plant and machineries in progress. The directors estimated the recoverable amount of the capital work in progress relates to construction of plant and machineries and factory building at RM6,800,000 and RM3,850,000 (2020: RM6,800,000 and RM3,850,000) respectively based on the fair value less costs of disposals of the assets, with reference to an independent valuation carried out by a professional valuer. The fair value estimate is within Level 3 of the fair value hierarchy. The key assumptions used in estimating the fair value are the replacement costs of the assets and the accrued depreciation for age and obsolescence.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2021

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

(c) Right-of-use assets ("ROU assets")

Information about leases for which the Group is lessees are presented below:

	GROUP			
	LAND RM'000	BUILDINGS RM'000	MOTOR VEHICLES RM'000	TOTAL RM'000
Carrying amount				
At 1 April 2019	14,271	25,792	1,225	41,288
Depreciation charge for the financial year	(401)	(811)	(245)	(1,457)
At 31 March 2020	13,870	24,981	980	39,831
Additions	-	-	165	165
Depreciation charge for the financial year	(401)	(750)	(204)	(1,355)
At 31 March 2021	**13,469**	**24,231**	**941**	**38,641**

Included in ROU assets are:

(i) The leasehold land and buildings of the Group with net carrying amount of RM37,700,357 (2020: RM38,851,000) are for their office space and operation site. The Group's leasehold land and buildings with lease terms at a range from 2 to 99 years.

(ii) The Group's motor vehicles are under hire purchase arrangements and have options to purchase the assets at the end of the contract term.

6. INVESTMENT IN SUBSIDIARIES

	NOTE	COMPANY 2021 RM'000	2020 RM'000
At cost		**72,309**	72,309
Loans that are part of net investments	(a)	**27,407**	27,574
Redeemable convertible preference share issued by a subsidiary	(b)	**20,400**	20,400
		120,116	120,283
Less: Accumulated impairment losses		**(52,183)**	(48,086)
		67,933	72,197

(a) Loans that are part of net investments represents amount owing by subsidiaries which is non-trade in nature, unsecured and interest free. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long term source of capital to the subsidiaries. As this amount is, in substance, a part of the Company's net investment in the subsidiaries, it is stated at cost less accumulated impairment loss, if any.

(b) Redeemable Convertible Preference Shares ("RCPS") issued by Laksana Wibawa Sdn. Bhd. do not carry the right to vote except on a proposal that affects rights, privileges or conditions of RCPS subscriber, proposal to wind up or during winding up of the issuer and during the period when the dividend is unpaid or partly paid. The RCPS carry a cumulative dividend of 4% per annum which is subject to the discretion of the issuer and the availability of distributable profits of the issuer. The RCPS are convertible to ordinary shares at the option of the issuer or the Company and redeemable at the option of the issuer on any date after the issuance of the RCPS.

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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) The details of subsidiaries are as follows

NAME OF COMPANIES	PRINCIPAL PLACE OF BUSINESS / COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 2021 %	OWNERSHIP INTEREST 2020 %	PRINCIPAL ACTIVITIES
Yew Lean Foundry & Co. Sdn. Bhd.	Malaysia	**100%**	100%	Manufacturing and trading of ductile iron pipes, fittings and other related products
Yew Li Foundry & Co. Sdn. Bhd.	Malaysia	**100%**	100%	Trading of cast iron fittings, saddles and manhole covers and fabrication of pipes
Logam Utara (M) Sdn. Bhd.	Malaysia	**100%**	100%	Trading of UPVC and ductile iron pipes and fittings, sanitary fittings, brass fittings and related products
Yew Lean Industries Sdn. Bhd.	Malaysia	**100%**	100%	Marketing and distribution of pipes, accessories and related products. The company has ceased operation in 2007 and remain inactive
Laksana Wibawa Sdn. Bhd. *	Malaysia	**51%**	51%	Manufacturing and trading of steel pipes and related products
Haluan Prisma Sdn. Bhd.	Malaysia	**70%**	70%	Construction and project management
MRPI Pipes Sdn. Bhd.	Malaysia	**70%**	70%	Manufacturing and sales of HDPE Pipes & MDPE Pipes
Subsidiary of Yew Lean Foundry & Co. Sdn. Bhd.				
Zenith Eastern (M) Sdn. Bhd.	Malaysia	**100%**	100%	Property investment holding

* Audited by auditors other than Baker Tilly Monteiro Heng PLT.

(d) **Non-controlling interest in subsidiaries**

The financial information of the Group's and the Company's subsidiaries that have material non-controlling interests are as follows:

Equity interest held by non-controlling interests:

NAME OF COMPANIES	PRINCIPAL PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 2021 %	OWNERSHIP INTEREST 2020 %
Laksana Wibawa Sdn. Bhd.	Malaysia	**49%**	49%
Haluan Prisma Sdn. Bhd.	Malaysia	**30%**	30%
MRPI Pipes Sdn. Bhd.	Malaysia	**30%**	30%

NOTES TO THE FINANCIAL STATEMENTS
31 March 2021

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) **Non-controlling interest in subsidiaries (Cont'd)**

Carrying amount of material non-controlling interests:

NAME OF COMPANIES	2021 RM'000	2020 RM'000
Laksana Wibawa Sdn. Bhd.	**(10,808)**	(10,338)
Haluan Prisma Sdn. Bhd.	**(706)**	(83)
MRPI Pipes Sdn. Bhd.	**721**	515

Loss allocated to material non-controlling interests:

NAME OF COMPANIES	2021 RM'000	2020 RM'000
Laksana Wibawa Sdn. Bhd.	**(470)**	(1,692)
Haluan Prisma Sdn. Bhd.	**(623)**	(556)
MRPI Pipes Sdn. Bhd.	**206**	(30)

(e) **Summarised financial information of material non-controlling interests**

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that have material non-controlling interests are as follows:

	LAKSANA WIBAWA SDN. BHD. RM'000	HALUAN PRISMA SDN. BHD. RM'000	MRPI PIPES SDN. BHD. RM'000
Summarised statements of financial position			
As at 31 March 2021			
Non-current assets	**29,519**	**982**	**2,203**
Current assets	**23,222**	**14,428**	**6,681**
Non-current liabilities	**(336)**	**-**	**-**
Current liabilities	**(54,088)**	**(17,593)**	**(7,190)**
Net (liabilities)/assets	**(1,683)**	**(2,183)**	**1,694**
Summarised statements of comprehensive income			
Financial year ended 31 March 2021			
Revenue	**16,111**	**5,970**	**7,716**
(Loss)/Profit for the financial year	**(959)**	**(2,076)**	**688**
Total comprehensive (loss)/income	**(959)**	**(2,076)**	**688**
Summarised cash flow information			
Financial year ended 31 March 2021			
Cash flows from/(used in):			
- operating activities	**(2,979)**	**1,231**	**(1,504)**
- investing activities	**(79)**	**2,640**	**(179)**
- financing activities	**3,784**	**(3,335)**	**1,898**
Net increase in cash and cash equivalents	**726**	**536**	**215**
Dividend paid to non-controlling interests	**-**	**-**	**-**

NOTES TO THE **FINANCIAL STATEMENTS**
31 March 2021

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(e) **Summarised financial information of material non-controlling interests (Cont'd)**

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that have material non-controlling interests are as follows (Cont'd):

	LAKSANA WIBAWA SDN. BHD. RM'000	HALUAN PRISMA SDN. BHD. RM'000	MRPI PIPES SDN. BHD. RM'000
Summarised statements of financial position			
As at 31 March 2020			
Non-current assets	30,148	1,026	2,224
Current assets	23,172	20,579	3,913
Non-current liabilities	(336)	-	-
Current liabilities	(53,708)	(21,712)	(5,130)
Net (liabilities)/assets	(724)	(107)	1,007
Summarised statements of comprehensive income			
Financial year ended 31 March 2020			
Revenue	20,298	8,010	5,392
Loss for the financial year	(3,453)	(1,852)	(104)
Total comprehensive loss	(3,453)	(1,852)	(104)
Summarised cash flow information			
Financial year ended 31 March 2020			
Cash flows from/(used in):			
- operating activities	(5,777)	(2,402)	2,118
- investing activities	(198)	(29)	(21)
- financing activities	5,197	2,270	(2,524)
Net decrease in cash and cash equivalents	(778)	(161)	(427)
Dividend paid to non-controlling interests	-	-	-

7. INVENTORIES

	GROUP 2021 RM'000	GROUP 2020 RM'000
At cost:		
Raw materials	**7,311**	8,320
Work in progress	**10,551**	11,753
Finished goods	**38,641**	34,276
	56,503	54,349

During the financial year, the cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM86,116,793 (2020: RM84,925,053).

NOTES TO THE FINANCIAL STATEMENTS
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8. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current				
Trade				
Trade receivables	**44,368**	47,047	**-**	-
Less: Allowance for impairment	**(5,623)**	(5,753)	**-**	-
	38,745	41,294	**-**	-
Non-trade				
Other receivables	**450**	251	**55**	55
Less: Allowance for impairment	**(9)**	(9)	**-**	-
	441	242	**55**	55
Deposits	**929**	1,052	**3**	3
GST refundable	**1,644**	2,022	**-**	-
Advance payment to suppliers	**602**	285	**-**	-
Prepayments	**541**	500	**2**	2
	4,157	4,101	**60**	60
Total trade and other receivables	**42,902**	45,395	**60**	60

(a) Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 1 to 90 days (2020: 1 to 90 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	GROUP	
	2021 RM'000	2020 RM'000
At 1 April 2020/2019	**5,753**	5,759
Charge for the financial year	**-**	31
Reversal of impairment losses	**(130)**	(37)
At 31 March	**5,623**	5,753

The information about the credit exposures are disclosed in Note 26(b) to the financial statements.

(b) The Group's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of other receivables are as follows:

	GROUP	
	2021 RM'000	2020 RM'000
At 1 April 2020/2019	**9**	8
Charge for the financial year	**-**	1
At 31 March	**9**	9

NOTES TO THE **FINANCIAL STATEMENTS**
31 March 2021

9. CONTRACT ASSETS/(LIABILITIES)

	GROUP	
	2021 RM'000	2020 RM'000 (RESTATED)
Contract assets relating to construction services contracts	**8,926**	8,471
Total contract assets	**8,926**	8,471
Contract liabilities relating to sales contracts	**(1,132)**	-
Contract liabilities relating to construction services contracts	**(47)**	(129)
Total contract liabilities	**(1,179)**	(129)
Net balance	**7,747**	8,342

Significant changes in contract balances

	2021		2020	
	CONTRACT ASSETS INCREASE/ (DECREASED) RM'000	CONTRACT LIABILITIES (INCREASE)/ DECREASED RM'000	CONTRACT ASSETS INCREASE/ (DECREASED) RM'000	CONTRACT LIABILITIES (INCREASE)/ DECREASED RM'000
Increase as a result of changes in the measure of progress	**8,926**	**-**	8,471	-
Transfer from contract assets recognised at the beginning of the period to receivables	**(8,471)**	**-**	(7,317)	-
Revenue recognised that was included in contract liability at the beginning of the financial year	**-**	**82**	-	2,600
Increase due to revenue recognised for unbilled goods or services transferred to customers	**-**	**-**	-	(120)
Increase due to consideration received from customers, but revenue not recognised	**-**	**(1,132)**	-	-

10. CASH AND SHORT-TERM DEPOSITS

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances	**5,835**	6,063	**204**	214
Short-term deposits	**8,483**	9,020	**-**	500
	14,318	15,083	**204**	714

NOTES TO THE FINANCIAL STATEMENTS
31 March 2021

11. SHARE CAPITAL

	GROUP AND COMPANY			
	NUMBER OF ORDINARY SHARES		AMOUNT	
	2021 UNIT ('000)	2020 UNIT ('000)	2021 RM'000	2020 RM'000
Issued and fully paid up:				
At 1 April 2020/2019/31 March	**102,951**	102,951	**110,159**	110,159

Effective from 31 January 2017, the Companies Act 2016 abolished the concept of authorised share capital and par value of share capital.

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

12. TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

There were no treasury shares purchased or sold during the financial year. The number of treasury shares held at the end of the financial year was 121,000 (2020: 121,000) units. Such treasury shares are held at a carrying amount of RM107,620 (2020: RM107,620).

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

As at 31 March 2021, the number of outstanding shares in issue after setting off treasury shares against equity is 102,829,873 (2020: 102,829,873) shares.

13. OTHER RESERVES

	GROUP AND COMPANY	
	2021 RM'000	2020 RM'000
Capital reserve	**1,467**	1,467

Capital reserve represents the shortfall of the fair value of shares consideration over the share capital recorded at RM1 par value for the acquisition of the 70% equity interest in Haluan Prisma Sdn. Bhd. and MRPI Pipes Sdn. Bhd. respectively.

NOTES TO THE **FINANCIAL STATEMENTS**
31 March 2021

14. DEFERRED TAX LIABILITIES

	GROUP	
	2021 RM'000	2020 RM'000
At 1 April 2020/2019	**763**	1,025
Recognised in profit or loss (Note 24)	**16**	(262)
At 31 March	**779**	763
Presented after appropriate offsetting as follows:		
Deferred tax assets	**3,924**	4,026
Deferred tax liabilities	**(4,703)**	(4,789)
	(779)	(763)

Deferred tax liabilities relate to the following:

	GROUP	
	2021 RM'000	2020 RM'000
Deferred tax liabilities:		
Property, plant and equipment	**(4,695)**	(4,781)
Deductible temporary differences in respect of expenses	**(8)**	(8)
	(4,703)	(4,789)
Deferred tax assets:		
Unutilised tax losses	**3,733**	3,170
Unabsorbed capital allowance	**191**	856
	3,924	4,026

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unutilised tax losses	**68,454**	68,133	**3,135**	2,660
Unabsorbed capital allowances	**9,397**	11,997	**-**	-
	77,851	80,130	**3,135**	2,660

The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

With effect from year of assessment 2019, unutilised tax losses in a year of assessment can only be carried forward for a maximum period of 7 conservative years of assessment. Accumulated unutilised tax loss brought forward from year of assessment 2019 can be utilised for another 7 years of assessment and will be disregarded in year of assessment 2026.

The unutilised tax losses are available for offset against future taxable profits of the Group and the Company which will expire in the following financial years:

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
2026	**46,273**	46,273	**2,188**	2,188
2027	**21,860**	21,860	**472**	472
2028	**321**	-	**475**	-
	68,454	68,133	**3,135**	2,660

15. LOANS AND BORROWINGS

	NOTE	GROUP 2021 RM'000	GROUP 2020 RM'000
Non-current:			
Lease liabilities	(a)	**462**	613
Current:			
Term loan		**4,025**	-
Bank overdraft		**3,081**	5,491
Banker acceptance		**32,268**	31,208
Lease liabilities	(a)	**301**	416
Trust receipts	(b)	**986**	6,850
Revolving credit		**2,000**	2,000
Islamic trade financing		**3,570**	595
		46,231	46,560
		46,693	47,173
Total loans and borrowings			
Term loan		**4,025**	-
Bank overdraft		**3,081**	5,491
Banker acceptance		**32,268**	31,208
Lease liabilities	(a)	**763**	1,029
Trust receipts	(b)	**986**	6,850
Revolving credit		**2,000**	2,000
Islamic trade financing		**3,570**	595
		46,693	47,173

The short-term borrowings of the Group are secured by:

(i) facility agreements;
(ii) charges on the subsidiary's freehold land, leasehold land and factory building (Note 5);
(iii) debentures incorporating fixed and floating charges on all the present and future assets of a subsidiary;
(iv) assignment of proceeds of contracts;
(v) memorandum deposit of upfront fixed deposit of RM200,000;
(vi) memorandum of deposit over sinking fund to be built up by 10% from each proceeds received up to a maximum of RM2.5 million or until end of the facility tenure; and
(vii) corporate guarantees given by the Company.

The short-term borrowings bear interest at rates range from 3.31% to 7.20% (2020: 3.25% to 8.45%) per annum.

(a) Lease liabilities

Certain vehicles of the Group as disclosed in Note 5 are pledged for leases. Such leases do not have terms for renewal which would give the Group an option to purchase at nominal values at the end of lease term. The average interest rate implicit in the leases ranging from 2.21% to 2.96% (2020: 2.43% to 4.60%) per annum.

NOTES TO THE **FINANCIAL STATEMENTS**
31 March 2021

15. LOANS AND BORROWINGS (CONT'D)

(a) Lease liabilities (Cont'd)

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	GROUP	
	2021 RM'000	2020 RM'000
Minimum lease payments:		
Not later than one year	**342**	453
Later than one year and not later than five years	**429**	645
Later than five years	**47**	1
	818	1,099
Less: Future finance charges	**(55)**	(70)
Present value of minimum lease payments	**763**	1,029
Present value of minimum lease payments:		
Not later than one year	**301**	416
Later than one year but not later than five years	**417**	612
Later than five years	**45**	1
	763	1,029
Less: Amount due within twelve months	**(301)**	(416)
Amount due after twelve months	**462**	613

(b) Trust receipts

Included in trust receipts are amounts of RM Nil (2020: RM457,999 and RM173,261) denominated in Chinese Yuan and United States Dollar respectively.

16. PROVISION FOR LEGAL CLAIM

	GROUP	
	2021 RM'000	2020 RM'000
At 1 April 2020/2019	**1,178**	-
Recognised	**-**	1,178
Utilisation	**(846)**	-
Reversal	**(332)**	-
At 31 March	**-**	1,178

The provision for legal claim involves the Group's 70% owned subsidiary, Haluan Prisma Sdn. Bhd. ("Haluan Prisma"). Haluan Prisma had been served with an Adjudication Claim on 9 May 2019 by one of its subcontractors, Kumpulan Awambina Sdn. Bhd. ("Awambina") for variation order and unpaid work done via its solicitors, Messrs. CH Tay & Partners.

On 4 October 2019, the Adjudicator decided in favour of Awambina. As at 31 March 2020, the Group had made provision amounting RM1,178,150 (includes legal fees, judgement sum, court charges incurred and interest charges).

On 22 March 2021, both parties have agreed to settle this matter amicable.

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17. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000 (RESTATED)	2021 RM'000	2020 RM'000
Current:				
Trade				
Trade payables	**23,043**	22,168	**-**	-
Accruals	**1,349**	2,237	**-**	-
	24,392	24,405	**-**	-
Non-trade				
Other payables	**12,252**	12,545	**-**	-
GST payables	**16**	16	**-**	-
Accruals	**2,315**	2,577	**112**	128
Deposits	**26**	1	**-**	-
	14,609	15,139	**112**	128
Total trade and other payables	**39,001**	39,544	**112**	128

(a) The normal trade credit term granted by the suppliers to the Group ranges from 30 to 90 days (2020: 30 to 90 days).

(b) Included in the trade payables are retention sum amounting to RM830,685 (2020: RM286,613).

(c) Included in other payables is an amount of RM659,559 (2020: RM638,559) due to corporate shareholder of a subsidiary. This amount is unsecured, interest free and repayable on demand in cash.

For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 26(b)(ii) to the financial statements.

18. REVENUE

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contract customers:				
Sales of goods	**97,201**	89,059	**-**	-
Construction work and project management	**5,970**	8,010	**-**	-
Management fees	**-**	-	**110**	110
	103,171	97,069	**110**	110
Revenue from other source:				
Interest income from licensed banks	**3**	51	**3**	51
	3	51	**3**	51
	103,174	97,120	**113**	161
Timing of revenue recognition				
At a point in time	**97,201**	89,059	**-**	-
Over time	**5,970**	8,010	**110**	110
	103,171	97,069	**110**	110

NOTES TO THE **FINANCIAL STATEMENTS**
31 March 2021

18. REVENUE (CONT'D)

(a) Disaggregation of revenue

The Group reports the following major segments: construction services, manufacturing and trading in accordance with MFRS 8 *Operating Segment*. For the purpose of disclosure for disaggregation of revenue, it disaggregates revenue into primary geographical market, major goods or services, timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

GROUP - 2021	CONSTRUCTION AND PROJECT MANAGEMENT RM'000	MANUFACTURING AND TRADING RM'000	TOTAL RM'000
Primary geographical market:			
Singapore	**-**	**2,499**	**2,499**
Hong Kong	**-**	**135**	**135**
Myanmar	**-**	**2,448**	**2,448**
Malaysia	**5,970**	**92,042**	**98,012**
China	**-**	**77**	**77**
	5,970	**97,201**	**103,171**
Major goods or services:			
Construction services	**5,970**	**-**	**5,970**
Pipes and fittings	**-**	**97,201**	**97,201**
	5,970	**97,201**	**103,171**
Timing of revenue recognition:			
At a point in time	**-**	**97,201**	**97,201**
Over time	**5,970**	**-**	**5,970**
	5,970	**97,201**	**103,171**

GROUP - 2020	CONSTRUCTION AND PROJECT MANAGEMENT RM'000	MANUFACTURING AND TRADING RM'000	TOTAL RM'000
Primary geographical market:			
Singapore	-	5,914	5,914
Hong Kong	-	326	326
Myanmar	-	620	620
Malaysia	8,010	82,129	90,139
China	-	3	3
Brunei	-	67	67
	8,010	89,059	97,069
Major goods or services:			
Construction services	8,010	-	8,010
Pipes and fittings	-	89,059	89,059
	8,010	89,059	97,069
Timing of revenue recognition:			
At a point in time	-	89,059	89,059
Over time	8,010	-	8,010
	8,010	89,059	97,069

(b) Transaction price allocated to the remaining performance obligations

As of 31 March 2021, the aggregate amount of the transaction price allocated to the remaining performance obligation is RM nil (2020: RM8,856,452) and the Group will recognise this revenue as the construction are completed, which is expected to occur over the nil (2020: 1 year).

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

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19. COST OF SALES

	GROUP	
	2021 RM'000	2020 RM'000
Cost of construction services and project management	**7,557**	7,670
Cost of goods sold	**86,323**	85,605
	93,880	93,275

20. FINANCE COSTS

	GROUP	
	2021 RM'000	2020 RM'000
Interest expenses on:		
- bank overdraft	**343**	307
- other short-term borrowings	**2,167**	2,925
	2,510	3,232

21. FINANCE INCOME

	GROUP	
	2021 RM'000	2020 RM'000
Interest income on:		
- short-term deposits	**223**	371
- late payment written back	**782**	-
	1,005	371

22. LOSS BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credit) in arriving at loss before tax:

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Auditors' remuneration:				
- current year	**145**	156	**63**	63
- prior years	**11**	-	**-**	-
Non-statutory audit fees	**5**	5	**5**	5
Bad debt written off	**-**	16	**-**	-
Depreciation of property, plant and equipment	**3,569**	3,639	**-**	-
Employee benefits expenses (Note 23)	**14,402**	14,505	**380**	651
Expected credit losses on trade and other receivables	**-**	32	**-**	-
Fair value gain on remeasurement of contingent consideration payables	**-**	(840)	**-**	(840)
Loss/(Gain) on disposal of property, plant and equipment	**31**	(7)	**-**	-
Loss/(Gain) on foreign exchange				
- realised	**(28)**	64	**-**	35
- unrealised	**13**	(104)	**6**	(59)
Impairment loss on investment in subsidiaries	**-**	-	**4,097**	-
Impairment loss on property, plant and equipment	**-**	200	**-**	-
Deposit written off	**21**	-	**-**	-
Expense related to short term lease/Rental expense				
- land and building	**136**	221	**-**	-
- machinery	**80**	51	**-**	-
- office equipment	**12**	5	**-**	-
Reversal of expected credit losses on trade and other receivables	**(130)**	(37)	**-**	-

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23. EMPLOYEE BENEFIT EXPENSES

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Wages, salaries and others	**13,099**	13,124	**380**	651
Defined contribution plans	**1,303**	1,381	**-**	-
	14,402	14,505	**380**	651

Included in employee benefit expenses are:

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors' fees	**94**	118	**44**	68
Directors' other emolument	**799**	2,013	**260**	583
Directors' defined contribution plans	**65**	194	**-**	-
	958	2,325	**304**	651

24. INCOME TAX EXPENSE/(CREDIT)

The major components of income tax expense for the financial years ended 31 March 2021 and 31 March 2020 are as follows:

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current tax:				
Current financial year	**22**	7	**-**	-
Under provision in prior financial years	**-**	21	**-**	-
	22	28	**-**	-
Deferred tax (Note 14):				
Current financial year	**1**	(191)	**-**	-
Under/(Over) provision in prior financial years	**15**	(71)	**-**	-
	16	(262)	**-**	-
Income tax expense/(credit) recognised in profit or loss	**38**	(234)	**-**	-

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial year.

24. INCOME TAX EXPENSE/(CREDIT) (CONT'D)

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Loss before tax	**(1,088)**	(10,349)	**(4,755)**	(87)
Tax at Malaysian statutory income tax rate of 24% (2020: 24%)	**(261)**	(2,484)	**(1,141)**	(21)
Tax effect arising from:				
- non-deductible expenses	**1,211**	991	**1,027**	142
- non-taxable income	**(372)**	(12)	**-**	-
- double deduction	**(8)**	(8)	**-**	-
Deferred tax assets not recognised	**310**	1,450	**114**	-
Utilisation of deferred tax assets not recognised in prior financial years	**(857)**	(121)	**-**	(121)
Under/(Over) provision in prior financial years				
- current tax	**-**	21	**-**	-
- deferred tax	**15**	(71)	**-**	-
Income tax expense/(credit)	**38**	(234)	**-**	-

25. LOSS PER SHARE

(a) Basic loss per ordinary share

Basic loss per share are based on the loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the financial year, calculated as follows:

	GROUP	
	2021 RM'000	2020 RM'000
Loss attributable to owners of the Company:	**(239)**	(7,837)

	GROUP	
	2021 UNIT ('000)	2020 UNIT ('000)
Weighted average number of ordinary shares for basic loss per share	**102,830**	102,830

	GROUP	
	2021 SEN	2020 SEN
Basic loss per ordinary share	**(0.23)**	(7.62)

(b) Diluted loss per share

The diluted loss per ordinary share of the Group for the financial year are equivalent to the basic loss per ordinary share of the Group as the Company has no potential dilutive ordinary shares and the effect is anti-dilutive.

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26. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	CARRYING AMOUNT RM'000	AMORTISED COST RM'000
2021		
Financial assets		
Group		
Trade and other receivables *	**40,115**	**40,115**
Cash and short-term deposits	**14,318**	**14,318**
	54,433	**54,433**
Company		
Trade and other receivables *	**58**	**58**
Cash and short-term deposits	**204**	**204**
	262	**262**
Financial liabilities		
Group		
Trade and other payables #	**38,985**	**38,985**
Loans and borrowings	**46,693**	**46,693**
	85,678	**85,678**
Company		
Trade and other payables	**112**	**112**

	CARRYING AMOUNT RM'000	AMORTISED COST RM'000
2020		
Financial assets		
Group		
Trade and other receivables *	42,588	42,588
Cash and short-term deposits	15,083	15,083
	57,671	57,671
Company		
Trade and other receivables *	58	58
Cash and short-term deposits	714	714
	772	772
Financial liabilities		
Group (Restated)		
Trade and other payables #	39,528	39,528
Loans and borrowings	47,173	47,173
	86,701	86,701
Company		
Trade and other payables	128	128

* *Exclude GST refundable, prepayments and advance payment to suppliers*
\# *Exclude GST payable*

26. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Trade receivables and contract assets

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

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

The Group determines the credit risk concentration of its trade receivables and contract assets by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's trade receivables and contract assets at the reporting date are as follows:

	GROUP			
	2021 RM'000	%	2020 RM'000	%
Trade receivables:				
Group				
Manufacturing and trading	**34,417**	**89%**	34,062	82%
Construction services	**4,328**	**11%**	7,232	18%
	38,745	**100%**	41,294	100%
Contract assets:				
Group				
Construction services	**8,926**	**100%**	8,471	100%
	8,926	**100%**	8,471	100%

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit losses provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward-looking information.

NOTES TO THE **FINANCIAL STATEMENTS**
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26. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

	GROSS CARRYING AMOUNT RM'000	ECL ALLOWANCE RM'000	NET BALANCE RM'000
2021			
Contract assets			
Current	**8,926**	**-**	**8,926**
Trade receivables			
Current	**17,693**	**-**	**17,693**
1 to 30 days past due	**5,756**	**-**	**5,756**
31 to 60 days past due	**1,930**	**-**	**1,930**
61 to 90 days past due	**2,037**	**-**	**2,037**
91 to 180 days past due	**5,656**	**-**	**5,656**
More than 181 days past due	**5,673**	**-**	**5,673**
Individually assessed (credit impaired)	**5,623**	**(5,623)**	**-**
	53,294	**(5,623)**	**47,671**

	GROSS CARRYING AMOUNT RM'000	ECL ALLOWANCE RM'000	NET BALANCE RM'000
2020			
Contract assets			
Current	8,471	-	8,471
Trade receivables			
Current	14,946	-	14,946
1 to 30 days past due	5,459	-	5,459
31 to 60 days past due	4,328	-	4,328
61 to 90 days past due	4,030	-	4,030
91 to 180 days past due	5,662	-	5,662
More than 181 days past due	6,869	-	6,869
Individually assessed (credit impaired)	5,753	(5,753)	-
	55,518	(5,753)	49,765

The significant changes in gross carrying amount of trade receivables do not contribute to changes in impairment losses during the financial year.

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

26. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Other receivables and other financial assets (Cont'd)

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, where possible are incorporated.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Refer to Note 3.10(a) to the financial statements for the Group's and the Company's other accounting policies for impairment of financial assets.

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM50,955,257 (2020: RM59,062,000) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 26(b)(ii) to the financial statements. As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

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

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's treasury department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

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26. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

		CONTRACTUAL CASH FLOWS			
2021	**CARRYING AMOUNT RM'000**	**ON DEMAND OR WITHIN 1 YEAR RM'000**	**BETWEEN 1 AND 5 YEARS RM'000**	**OVER 5 YEARS RM'000**	**TOTAL RM'000**
Group					
Trade and other payables#	**38,985**	**38,985**	**-**	**-**	**38,985**
Loans and borrowings	**46,693**	**46,272**	**429**	**47**	**46,748**
Financial guarantees	**-**	**50,955**	**-**	**-**	**50,955**
	85,678	**136,212**	**429**	**47**	**136,688**
2021					
Company					
Trade and other payables	**112**	**112**	**-**	**-**	**112**
Financial guarantees	**-**	**50,955**	**-**	**-**	**50,955**
	112	**51,067**	**-**	**-**	**51,067**

		CONTRACTUAL CASH FLOWS			
2020	**CARRYING AMOUNT RM'000**	**ON DEMAND OR WITHIN 1 YEAR RM'000**	**BETWEEN 1 AND 5 YEARS RM'000**	**OVER 5 YEARS RM'000**	**TOTAL RM'000**
Group (Restated)					
Trade and other payables#	39,528	39,528	-	-	39,528
Loans and borrowings	47,173	46,597	645	1	47,243
Financial guarantees	-	59,062	-	-	59,062
	86,701	145,187	645	1	145,833
2020					
Company					
Trade and other payables	128	128	-	-	128
Financial guarantees	-	59,062	-	-	59,062
	128	59,190	-	-	59,190

26. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's operating activities (when sales, purchases and borrowings that are denominated in a foreign currency).

Management has set up a policy that requires all companies within the Group and the Company to manage their treasury activities and exposures. The Group's and the Company's policy may include hedging their all material foreign currency exposures arising from its transactions and balances using derivative instruments that have maturity periods that match the corresponding maturity periods of the hedged items. In addition, the Group and the Company also takes advantage of any natural effects of its foreign currencies revenues and expenses by maintaining current accounts in foreign currencies.

The Group's and the Company's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

GROUP	UNITED STATES DOLLAR RM'000	SINGAPORE DOLLAR RM'000	SRI LANKAN RUPEE RM'000	TOTAL RM'000
2021				
Financial assets				
Trade and other receivables	**278**	**479**	**5**	**762**
Cash and bank balances	**161**	**-**	**-**	**161**
	439	**479**	**5**	**923**
Financial liability				
Trade and other payables	**741**	**-**	**-**	**741**

GROUP	UNITED STATES DOLLAR RM'000	SINGAPORE DOLLAR RM'000	CHINESE YUAN RM'000	SRI LANKAN RUPEE RM'000	TOTAL RM'000
2020					
Financial assets					
Trade and other receivables	188	1,767	-	7	1,962
Cash and bank balances	333	229	-	-	562
	521	1,996	-	7	2,524
Financial liabilities					
Trade and other payables	451	-	-	-	451
Loans and borrowings	173	-	458	-	631
	624	-	458	-	1,082

Sensitivity analysis for foreign currency risk

The Group's principal foreign currency exposure relates mainly to United States Dollar ("USD") and Singapore Dollar ("SGD").

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26. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk (Cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in the USD and SGD, with all other variables held constant on the Group's total profit for the financial year.

	2021		2020	
	CHANGE IN RATE %	EFFECT ON PROFIT FOR THE FINANCIAL YEAR RM'000	CHANGE IN RATE %	EFFECT ON PROFIT FOR THE FINANCIAL YEAR RM'000
USD	**5%**	**(11)**	5%	(4)
	-5%	**11**	-5%	4
SGD	**5%**	**18**	5%	76
	-5%	**(18)**	-5%	(76)

As at 31 March 2021 and 31 March 2020, there were no forward foreign currency exchange contract.

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's and the Company's total equity and profit for the financial year.

	CHANGE IN RATE %	EFFECT ON PROFIT FOR THE FINANCIAL YEAR RM'000	EFFECT ON EQUITY RM'000
Group			
31 March 2021	**+ 1%**	**349**	**349**
	- 1%	**(349)**	**(349)**
31 March 2020	+ 1%	351	351
	- 1%	(351)	(351)

(c) Fair value measurement

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

There has been no transfer between Level 1 and Level 2 during the financial year (2020: no transfer in either directions).

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26. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement (Cont'd)

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

		FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE				FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE			
2021	CARRYING AMOUNT RM'000	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	TOTAL RM'000	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	TOTAL RM'000
Financial liability									
Lease liabilities	**763**	**-**	**-**	**-**	**-**	**-**	**786**	**-**	**786**
2020									
Financial liability									
Lease liabilities	1,029	-	-	-	-	-	1,059	-	1,059

Cash and cash equivalents, trade and other receivables and payables

The carrying amounts of cash and cash equivalents, trade and other receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments.

Loans and borrowings

The carrying amounts of the current portion of loans and borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The fair value of lease liabilities and fixed rate loan is estimated using discounted cash flow analysis, based on current lending rate for similar types of borrowing arrangements.

27. CAPITAL COMMITMENTS

The group has made commitments for the following capital expenditure:

	GROUP	
	2021 RM'000	2020 RM'000
Property, plant and equipments		
Approved and contracted for	**3,292**	3,292
Approved but not contracted for	**13,327**	13,327

28. FINANCIAL GUARANTEES

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Corporate guarantee granted to financial institutions for banking facilities granted to its subsidiaries				
- total banking facilities	**100,700**	115,850	**100,700**	115,850
- total utilised	**50,955**	59,062	**50,955**	59,062

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28. FINANCIAL GUARANTEES (CONT'D)

Fair values of the financial guarantee contracts have not been recognised based on discounted cash flow (expected value) method as they are not material due to the likelihood of the subsidiaries defaulting within the guaranteed period is remote and the estimated loss exposure if the subsidiaries was to default is immaterial.

29. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Entities having significant influence over the Group;
(ii) Subsidiaries;
(iii) Entities in which directors have substantial financial interest; and
(iv) Key management personnel of the Group's and the Company's, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions and balances

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	GROUP	
	2021 RM'000	2020 RM'000
Significant transaction with corporate shareholder of a subsidiary		
Rental paid/payable	**162**	162

	COMPANY	
	2021 RM'000	2020 RM'000
Significant transaction with its subsidiaries:		
Management fee received/receivable	**110**	110

Significant outstanding balances with related parties at the end of the reporting period are disclosed in Note 17 to the financial statements.

(c) Compensation of key management personnel

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Fees, salaries and other employee benefits	**511**	1,352	**17**	43
Defined contribution plans	**65**	194	**-**	-
Estimated monetary value of benefit-in-kind	**30**	158	**20**	20
	606	1,704	**37**	63

30. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group's chief operator decision maker for the purpose of making decisions about resource allocation and performance assessment.

The reportable operating segments are as follows:

Segments	**Product and services**
Manufacturing and trading	Manufacturing and trading of ductile iron pipes, steel and plastic pipes and fittings and waterwork related products for waterworks and sewerage industry.
Construction and project management	Construction and project management.

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3 to the financial statements. Segment result represents profit or loss before tax of the respective business segments. There are no transactions between the reportable segments. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment assets and liabilities

Segment assets and liabilities are measured based on all assets and liabilities of segment other than those activities that are not part of any reportable segments.

Geographical information

The activities of the Group mainly carried out in Malaysia and as such, geographical segmental reporting is not presented.

Information about major customers

For manufacturing and trading segment, there is 2 (2020: 1) customer with revenue equal or more than 26% (2020: 10%) of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2021

30. SEGMENT INFORMATION (CONT'D)

	MANUFACTURING AND TRADING RM'000	CONSTRUCTION AND PROJECT MANAGEMENT RM'000	ELIMINATION AND ADJUSTMENT RM'000	NOTE	CONSOLIDATED RM'000
2021					
REVENUE					
External customers	97,204	5,970	-		103,174
Inter-segment	14,570	-	(14,570)	(a)	-
	111,774	5,970	(14,570)		103,174
RESULTS					
Reportable segment profit/(loss)	988	(2,076)	-		(1,088)
NET ASSETS					
Total segment assets	182,685	15,410	-		198,095
Total segment liabilities	70,059	17,593	-		87,652
Net assets/(liabilities) - Segment	112,626	(2,183)	-		110,443
OTHER INFORMATION					
Capital expenditures	2,015	-	-		2,015
Depreciation on property, plant and equipment	3,532	37	-		3,569
Interest expenses	2,059	451	-		2,510
Deposit written off	21	-	-		21
Interest income	(950)	(55)	-		(1,005)
Reversal of expected credit losses on trade and other receivables	(130)	-	-		(130)

NOTES TO THE **FINANCIAL STATEMENTS**
31 March 2021

30. SEGMENT INFORMATION (CONT'D)

	MANUFACTURING AND TRADING RM'000	CONSTRUCTION AND PROJECT MANAGEMENT RM'000	ELIMINATION AND ADJUSTMENT RM'000	NOTE	CONSOLIDATED RM'000
2020					
REVENUE					
External customers	89,110	8,010	-		97,120
Inter-segment	9,753	-	(9,753)	(a)	-
	98,863	8,010	(9,753)		97,120
RESULTS					
Reportable segment loss	(8,506)	(1,843)	-		(10,349)
NET ASSETS					
Total segment assets	178,752	21,605	-		200,357
Total segment liabilities	67,076	21,712	-		88,788
Net assets/(liabilities) - Segment	111,676	(107)	-		111,569
OTHER INFORMATION					
Capital expenditures	4,586	5	-		4,591
Bad debts written off	-	16	-		16
Depreciation on property, plant and equipment	3,602	37	-		3,639
Impairment loss on property, plant and equipment	200	-	-		200
Interest expenses	2,594	638	-		3,232
Interest income	(272)	(99)	-		(371)
Expected credit losses on trade and other receivables	32	-	-		32
Reversal of expected credit losses on trade and other receivables	(37)	-	-		(37)

Note: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

(a) Inter-segment revenue

Inter-segment revenues are eliminated on consolidation.

NOTES TO THE **FINANCIAL STATEMENTS**
31 March 2021

31. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 March 2021 and 31 March 2020.

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as total borrowings divided by total capital. The total capital is calculated as total equity plus total borrowings. The Group's and the Company's gearing ratio as at the reporting date are as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
Total borrowings (RM'000)	**46,693**	47,173	**-**	-
Total equity (RM'000)	**110,443**	111,569	**68,093**	72,848
Total capital (RM'000)	**157,136**	158,742	**68,093**	72,848
Gearing ratio (%)	**29.72%**	29.72%	**-**	-

The Group and the Company are not subject to any externally imposed capital requirements.

32. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF FINANCIAL YEAR

Coronavirus pandemic

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 and subsequently, followed by Recovery MCO and Conditional MCO. On 28 May 2021, the Government again imposed a nationwide full MCO from 1 June 2021.

The Group and the Company have performed assessments on the overall impact of the situation on the Group's and the Company's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of asset and liabilities, and concluded that there is no material adverse effect on the financial statements for the financial year ended 31 March 2021.

Given the fluidity of the situation, the Group and the Company are unable to reasonably estimate the complete financial impacts of COVID-19 pandemic for the financial year ending 31 March 2022 to be disclosed in the financial statements as impact assessment of the COVID-19 pandemic is a continuing process. The Group and the Company will continuously monitor for any material changes to future economic conditions that will affect the Group and the Company.

33. COMPARATIVE INFORMATION

During the financial year, the Group reclassified certain comparative figures which have been restated in order to conform with the presentation in a subsidiary.

Accordingly, the financial statements for the financial year ended 31 March 2020 have been restated as follows:

GROUP	AS PREVIOUSLY REPORTED RM'000	RESTATEMENT RM'000	AS RESTATED RM'000
Statement of Financial Position as at 31 March 2020			
Current liabilities			
Trade and other payables	28,944	10,600	39,544
Contract liabilities	10,729	(10,600)	129

STATEMENT BY **DIRECTORS**

(Pursuant to Section 251(2) of the Companies Act 2016)

We, **DATO' HAJI SAMSURI BIN RAHMAT** and **SEAH HENG CHIN**, being two of the directors of YLI HOLDINGS BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 54 to 112 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 March 2021 and of their financial performance and cash flows for the financial year then ended.

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

DATO' HAJI SAMSURI BIN RAHMAT
Director

SEAH HENG CHIN
Director

Kuala Lumpur

Date: 21 July 2021

STATUTORY **DECLARATION**

(Pursuant to Section 251(1) of the Companies Act 2016)

I, **SEAH HENG CHIN**, being the director primarily responsible for the financial management of YLI HOLDINGS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 54 to 112 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

SEAH HENG CHIN
(MIA Membership No: 23102)

Subscribed and solemnly declared at Kuala Lumpur in the Federal Territory on 21 July 2021.

Before me,
Commissioner for Oaths

Tan Kim Chooi (W661)
Level 25, Menara Hong Leong,
No. 6, Jalan Damanlela,
Bukit Damansara,
50490 Kuala Lumpur

INDEPENDENT **AUDITORS' REPORT**

To the members of YLI Holdings Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of YLI Holdings Berhad, which comprise the statements of financial position as at 31 March 2021 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including significant accounting policies, as set out on pages 54 to 112.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Group

Property, plant and equipment ("PPE") (Note 4.3 and Note 5(c))

We focused on this area because judgements and estimates by directors are involved in determining the recoverable amount of these assets.

Our audit response:
Our audit procedures included, among others:
- assessing the competence, capabilities and objectivity of the external valuers which include consideration of their qualifications and experience;
- understanding the scope and purpose of the valuation by reading the terms of engagement; and
- reading the valuation reports and discussing with external valuers on their valuation approach and the significant judgements they made.

Trade receivables (Note 4.1 and Note 8)

We focused on this area because the directors made significant judgements over assumptions about risk of default and expected loss rate. In making the assumptions, the directors selected inputs to the impairment calculation, based on the Group's past history and forward-looking estimates at the end of the reporting period.

Our audit response:
Our audit procedures included, among others:
- understanding of significant credit exposures which were significantly overdue or deemed to be in default through discussion with the Group of their ageing reports and other collection;
- obtaining confirmation of balances of selected receivables;
- reading any customer correspondence, subsequent receipts and discussing with the Directors on the level of activity with the customer and explanation by the Group on recoverability with significantly past due balances; and
- testing the calculation of expected credit loss as at the end of the reporting period.

INDEPENDENT AUDITORS' REPORT
To the members of YLI Holdings Berhad (Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Inventories (Note 4.2 and Note 7)

We focused on this area because judgement by directors is required in estimating the net realisable value of inventories.

Our audit response:
Our audit procedures included, among others:
- reviewing the Group's assessment in relation to the monitoring and detection of slow-moving inventories;
- observing year end physical inventory count to observe physical existence and condition of the finished goods and reading the design and implementation of controls during the count;
- reviewing subsequent sales and understanding director's assessment on estimated net realisable value on selected inventory items; and
- Checking on selected sample whether these inventories have been carried at lower of cost and net realisable value.

Revenue and corresponding costs recognition for construction activities (Note 4.4 and Note 18)

We focused on this area because significant directors' judgement is required, in particular with regards to determining the progress towards satisfaction of a performance obligation, the extent of the construction costs incurred, the estimated total construction contracts revenue and costs, as well as the recoverability of the construction contracts projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our audit response:
Our audit procedures on a sample of major projects included, among others:
- reading the terms and conditions of agreements with customers;
- understanding the Group's process in recording project costs, preparing project budget and the calculation of the progress towards anticipated satisfaction of a performance obligation;
- discussing the progress of the projects and expected outcome with the directors to obtain an understanding of the basis on which estimates are made; and
- checking the mathematical computation of recognised revenue and corresponding costs for the projects during the financial year.

Company

Investment in subsidiaries (Note 4.3 and Note 6)

We focused on this area because the directors' assessment of the recoverable amount involved significant judgement.

Our audit response:
Our audit procedures included, among others:
- comparing the actual results with previous budget;
- reading the Company's assumption used in the projections; and
- testing the mathematical accuracy of the impairment assessment.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

INDEPENDENT **AUDITORS' REPORT**

To the members of YLI Holdings Berhad (Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

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

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

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

INDEPENDENT **AUDITORS' REPORT**

To the members of YLI Holdings Berhad (Incorporated in Malaysia)

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

Other Matters

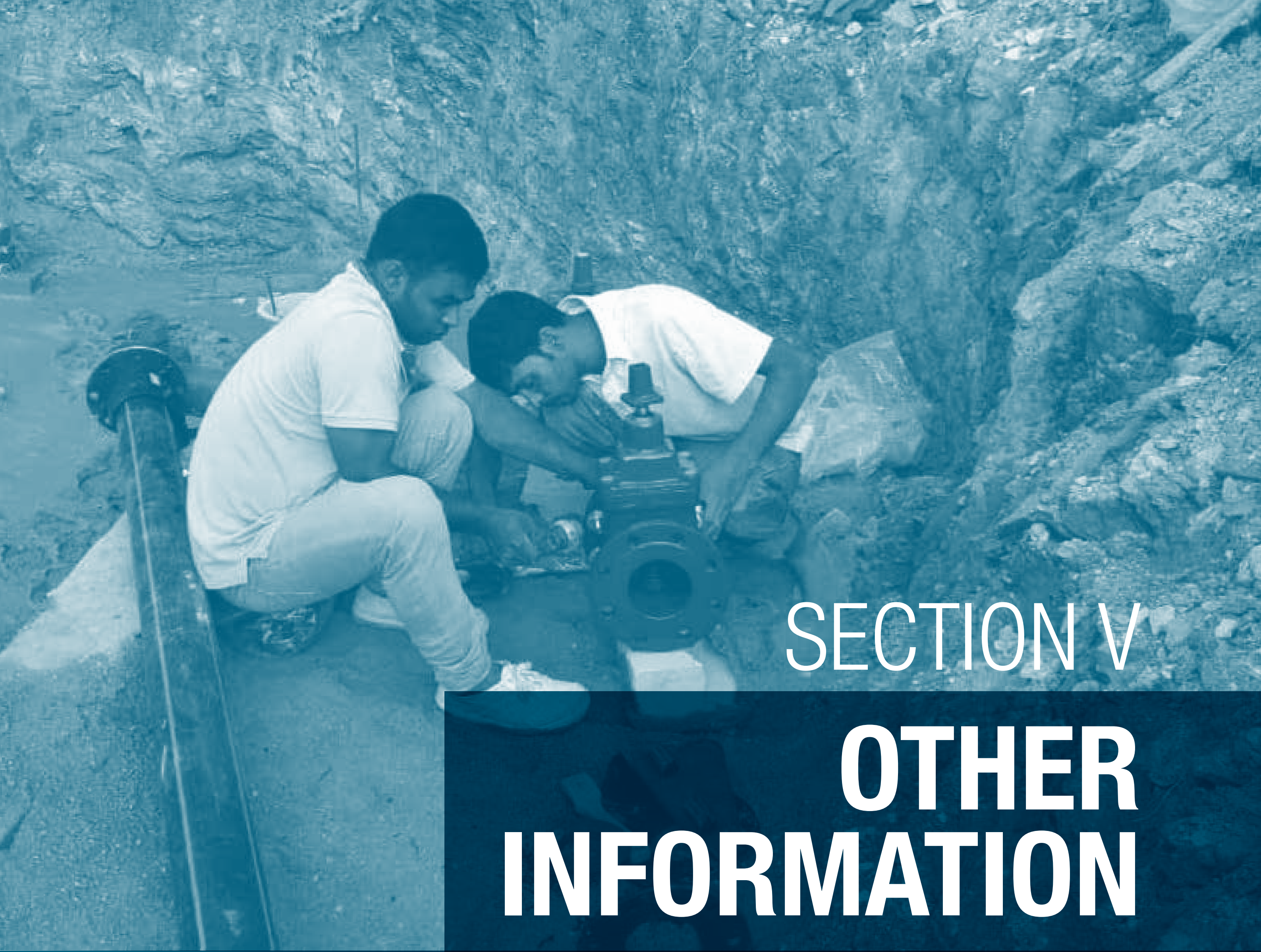
This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Jou Yin
No.03460/11/2021 J
Chartered Accountant

Kuala Lumpur

Date: 21 July 2021



SECTION V

OTHER INFORMATION

PROPERTIES OF THE GROUP

	DESCRIPTION	LAND AREA/ BUILT-UP AREA	NET BOOK VALUE @ 31.03.2021 RM'000	APPROXIMATE AGE OF BUILDING YEARS	DATE OF REVALUATION/ ACQUISITION
FACTORIES					
2432, Tingkat Perusahaan 6, Prai Industrial Estate, 13600 Prai, Pulau Pinang	Land (Leasehold 60 years expiring 03.10.2042)	3.30 acres	945	N/A	1 November 1994
	Main factory	76,100 sq. ft.	3,092	38	
	Machine workshop	3,200 sq. ft.		30	
	Canteen	2,050 sq. ft.		25	
	Office building	7,949 sq. ft.		25	
2462, Lorong Perusahaan 10, Prai Industrial Estate, 13600 Prai, Pulau Pinang	Land (Leasehold 60 years expiring 13.04.2044)	3.01 acres	3,000	N/A	10 September 1999
	Factory building	60,702 sq. ft.	3,613	21	14 July 2000
2579, Lorong Perusahaan 10, Prai Industrial Estate, 13600 Prai, Pulau Pinang	Land (Leasehold 60 years expiring 23.01.2045)	3.02 acres	1,603	N/A	19 July 1999
	Single storey factory cum workshop	40,050 sq. ft.	1,993	29	19 July 1999
	Double-storey office building	4,450 sq. ft.			
2604, Lorong Perusahaan Baru 2, Kawasan Perusahaan Prai, 13600 Prai, Pulau Pinang	Land (Leasehold 60 years expiring 11.12.2050)	3.54510 acres	1,226	N/A	6 May 2004
	Factory building	24,208 sq.ft.	1,032	31	
Lot No.668 and 669, Mukim 6, Daerah Seberang Perai Tengah, Pulau Pinang	Land (Freehold)	18,919 sq. metres	2,234	N/A	17 March 2005
	Fencing		39	N/A	14 December 2009
Lot 1498, Seksyen 20, Town of Serendah, District of Ulu Selangor, Selangor Darul Ehsan	Land (Leasehold 99 years expiring 10.09.2096)	44,578 sq. metres	5,274	N/A	30 March 2009
	Factory building	12,689 sq. metres	11,495	20	29 August 2008
	Office building	460 sq. metres			
OFFICE CUM WORKSHOP					
51, Jalan Layang-Layang 3, Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan	Land (Freehold)	7,201 sq. ft.	750	N/A	26 May 1997
	1½ storey semi-detached factory erected on it		406	24	

PROPERTIES **OF THE GROUP**

	DESCRIPTION	LAND AREA/ BUILT-UP AREA	NET BOOK VALUE @ 31.03.2021 RM'000	APPROXIMATE AGE OF BUILDING YEARS	DATE OF REVALUATION/ ACQUISITION
WAREHOUSE					
No. 2739, Mukim 6, Lorong Nagasari 5, Taman Nagasari, 13600 Prai, Pulau Pinang	Land (Leasehold expiring 09.05.2051)	3.25 acres	2,230	N/A	22 June 1996
	Single storey building used as a warehouse with a small section as office	10,744 sq. ft.	1,351	25	
GENERAL PROPERTIES					
No. 11, 12, 13, 14, Tingkat 3, Block C, Taman Pelangi, 13600 Prai, Pulau Pinang	4 units of flats (leasehold expiring 07.11.2093) used as production workers accommodation	700 sq. ft. each	124	25	8 November 1994
No. 7, Lorong Nagasari 22, Taman Nagasari, 13600 Prai, Pulau Pinang	Land (Freehold) 1½ storey terrace factory erected on it	2,034 sq. ft.	231	25	10 November 1993
HS(M)21310, PT No.18066 HS(M)28813, PT No.64243 HS(M)21312, PT No.18068 HS(M)21313, PT No.18069	Land (Freehold)	1,200 sq. metres	610	N/A	May 2002
	Warehouse		84	N/A	January 2003
Moveable Site Hostel, No.2739, Mukim 6, Lorong Nagasari 5, Taman Nagasari, 13600 Prai, Pulau Pinang	Double storey steel container	40' X 8' X 8' (8 units)	14	N/A	16 September 2002
No.40, Jalan Uranus AH U5/AH, Taman Subang Impian, Seksyen U5, 40150 Shah Alam, Selangor	Three storey shop office	5,280 sq. ft.	931	8	18 April 2013
Lot 530, Tile no. GM 344, Mukim Batang Kali, District of Hulu Selangor	Vacant industrial land	18,211 sq. metres	1,960	N/A	14 April 2015

ANALYSIS OF SHAREHOLDINGS

As at 15 July 2021

Class of Shares	: Ordinary Shares
Voting Rights	: One vote per ordinary share
Issued Share Capital	: RM110,158,886.50 consisting of 102,950,873 ordinary shares (inclusive of 121,000 shares held as treasury shares)
Number of Holders	: 2,274

DISTRIBUTION SCHEDULE OF SHAREHOLDINGS AS AT 15 JULY 2021

NO. OF HOLDERS	SIZE OF HOLDINGS	TOTAL HOLDINGS	%*
42	less than 100 shares	949	#
290	100 to 1,000 shares	199,096	0.19
1,221	1,001 to 10,000 shares	5,987,682	5.82
624	10,001 to 100,000 shares	22,361,127	21.75
96	100,001 to less than 5% of issued shares	41,770,930	40.62
1	5% and above of issued shares	32,510,089	31.62
2,274		**102,829,873**	**100.00**

* The issued and paid-up capital is as per Record of Depositors as at 15 July 2021 exclusive of 121,000 shares held as treasury shares

Negligible

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 15 JULY 2021

	NAME	SHAREHOLDINGS	%
1	SUASANA KARISMA SDN. BHD.	32,510,089	31.62
2	NUSMAKMUR DEVELOPMENT SDN. BHD.	4,861,330	4.73
3	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HEE YUEN SANG (MY2105)	4,352,000	4.23
4	JB-CITY ALLOY INDUSTRIES SDN. BHD.	3,501,500	3.41
5	BLESSPLUS SDN. BHD.	2,659,600	2.59
6	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH HOCK ANG	2,316,300	2.25
7	TAN PER LIN	764,500	0.74
8	LEONG SIR LEY	750,000	0.73
9	KHOR KENG SAW @ KHAW AH SOAY	703,900	0.68
10	CHAN CHEE CHOY	695,900	0.68
11	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SALIM CASSIM	664,800	0.65
12	CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	631,000	0.61
13	BUMIRAYA ARMANI SDN. BHD.	591,400	0.58
14	LIM SAY HAN	589,000	0.57
15	WANG HSUEH YING	526,000	0.51

ANALYSIS OF **SHAREHOLDINGS**
As at 15 July 2021

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 15 JULY 2021 (CONT'D)

	NAME	SHAREHOLDINGS	%
16	ONG SOI TAT	520,000	0.51
17	SIM KAH HOON	501,900	0.49
18	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KIEN WI (E-JCL/KPT)	500,800	0.49
19	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG TIONG SEW (MY1266)	450,000	0.44
20	WONG KUAN FONG	447,200	0.43
21	HOO WAN FATT	445,200	0.43
22	CHUA LYE PING	445,000	0.43
23	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SIEW ONG (L GARDEN-CL)	415,700	0.40
24	KEAN MOONG YIN	410,000	0.40
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HAN FOOK FONG (E-PPG)	387,000	0.38
26	LEONG CHEE HOK	385,000	0.37
27	LAU YEW MOON	380,000	0.37
28	LEE CHEE BENG	373,900	0.36
29	NG HAY LIAN	358,300	0.35
30	CHAI MEI LING	350,700	0.34
	TOTAL	**62,488,019**	**60.77**

ANALYSIS OF **SHAREHOLDINGS**
As at 15 JULY 2021

SUBSTANTIAL SHAREHOLDERS

In accordance with the Register of Substantial Shareholders, the Substantial Shareholders and their shareholdings as at 15 July 2021 are as follows:-

	NO OF SHARES			
NAME OF SHAREHOLDERS	DIRECT	%#	INDIRECT	%#
Suasana Karisma Sdn. Bhd.	32,510,089	31.62	-	-
Dato' Haji Samsuri Bin Rahmat	-	-	32,510,089*	31.62
Seah Heng Chin	-	-	32,510,089*	31.62

Excluding a total of 121,000 YLI Holdings Berhad ("YLI") shares bought-back by YLI and retained as treasury shares as at 15 July 2021.

* Deemed interested pursuant to Section 8 of the Companies Act 2016 ("the Act") by virtue of their shareholdings in Suasana Karisma Sdn. Bhd.

DIRECTORS AND THEIR SHAREHOLDINGS

In accordance with the Register of Directors' Shareholdings, the Directors and their shareholdings as at 15 July 2021 are as follows:-

	NO. OF SHARES			
NAME OF DIRECTORS	DIRECT	%#	INDIRECT	%#
Dato' Haji Samsuri Bin Rahmat	-	-	32,510,089*	31.62
Seah Heng Chin	-	-	32,510,089*	31.62
Tan Sri Dato' Academician Ir (Dr) Ahmad Zaidee bin Laidin	-	-	-	-
Dr Abdul Latif Bin Shaikh Mohamed	-	-	-	-
Datuk Haji Jalaludin Bin Haji Ibrahim	-	-	-	-

Excluding a total of 121,000 YLI Holdings Berhad ("YLI") shares bought-back by YLI and retained as treasury shares as at 15 July 2021.

* Deemed interested pursuant to Section 8 of the Companies Act 2016 ("the Act") by virtue of their shareholdings in Suasana Karisma Sdn. Bhd.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Sixth Annual General Meeting of **YLI Holdings Berhad** will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at https://tiih.online on Tuesday, 14 September 2021 at 11.00 a.m.

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2021 together with the Reports of the Directors and Auditors thereon. **Please refer to Note A**

AS ORDINARY BUSINESS

2. To re-elect Mr Seah Heng Chin who retires in accordance with Clause 76(3) of the Company's Constitution. **Ordinary Resolution 1**
3. To re-elect Dr Abdul Latif Bin Shaikh Mohamed who retires in accordance with Clause 76(3) of the Company's Constitution. **Ordinary Resolution 2**
4. To re-appoint Baker Tilly Monteiro Heng PLT as Auditors and to authorise the Directors to determine their remuneration. **Ordinary Resolution 3**
5. To approve the payment of Directors' fees for the financial year ended 31 March 2021 and Directors' benefits from 14 September 2021 until the next Annual General Meeting of the Company up to an aggregate amount of RM400,000.00. **Ordinary Resolution 4**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications the following Resolutions:-

6. **Authority to continue in office as Independent Non-Executive Director**

   (i) "THAT authority be and is hereby given to YBhg Tan Sri Dato' Academician Ir (Dr) Ahmad Zaidee Bin Laidin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting." **Ordinary Resolution 5**

7. **Proposed Renewal of Authority for Share Buy-Back** **Ordinary Resolution 6**

   "THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

   (i) the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and

   (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

   ("Proposed Share Buy-Back").

   AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

   (i) the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;

   (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or

   (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

   whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

NOTICE OF **ANNUAL GENERAL MEETING**

Ordinary Resolutions (cont'd)

7. **Proposed Renewal of Authority for Share Buy-Back (cont'd)**

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

(i) To cancel all or part of the Purchased Shares;
(ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
(iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
(iv) To resell all or part of the treasury shares;
(v) To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
(vi) To transfer all or part of the treasury shares as purchase consideration;
(vii) To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
(viii) To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

8. **Authority to Issue Shares** **Ordinary Resolution 7**

THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 20% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed 20% General Mandate").

THAT such approval on the Proposed 20% General Mandate shall continue to be in force until 31 December 2021.

THAT with effect from 1 January 2022, the general mandate shall be reinstated from a 20% limit to a 10% limit pursuant to Paragraph 6.03 of the Listing Requirements provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer by the Company from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed 10% General Mandate").

NOTICE OF **ANNUAL GENERAL MEETING**

Ordinary Resolutions (cont'd)

8. **Authority to Issue Shares (cont'd)** **Ordinary Resolution 7**

THAT such approval on the Proposed 10% General Mandate shall continue to be in force until:

a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

(The Proposed 20% General Mandate and Proposed 10% General Mandate shall hereinafter refer to as "Proposed General Mandate".)

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.

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

By Order of the Board

CHEW SIEW CHENG
(MAICSA 7019191) (SSM PC No. 202008001179)
Company Secretary

Penang

Date: 16 August 2021

NOTICE OF **ANNUAL GENERAL MEETING**

Note A

This Agenda item is meant for discussion only as the provision of Sections 248(2) and 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence is not put forward for voting.

NOTES:

1. Proxy

*1.1 The AGM will be conducted fully virtual through live streaming and online meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") in Malaysia via its TIIH Online website at https://tiih.online. Members are to attend, speak (including posing questions to the Board of Directors of the Company via real time submission of typed texts) and vote (collectively, "**Participate**") remotely at this AGM via Remote Participation and Voting ("**RPV**") facilities provided by Tricor. Members are advised to follow the procedures of RPV as stated in the Administrative Guide.*

1.2 According to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 1 June 2021, an online meeting platform located in Malaysia is recognised as the meeting venue and all meeting participants of a fully virtual general meeting are required to participate in the meeting online.

1.3 For the purpose of determining who shall be entitled to participate in this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 7 September 2021. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this General Meeting or appoint a proxy to participate on his/her/its behalf via RPV.

1.4 As the 26th AGM is a fully virtual AGM, shareholders who are unable to participate in this 26th AGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the proxy form.

1.5 A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

1.6 A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the General Meeting.

1.7 Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

1.8 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. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

1.9 Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

1.10 The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the proxy form must be deposited at the poll administrator's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. In the case of electronic appointment, the proxy form must be electronically lodged via TIIH Online at https://tiih.online. Please refer to the Administrative Guide for the AGM on procedures for electronic lodgement of Proxy Form via TIIH Online. All proxy forms submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote.

1.11 Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the poll administrator's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

1.12 Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

1.13 Last date and time for lodging this proxy form is 11.00 a.m. on 12 September 2021, Sunday.

*1.14 For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment at the poll administrator's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:*

- *(i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.*
- *(ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:*
  - *(a) at least two (2) authorised officers, of whom one shall be a director; or*
  - *(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.*

NOTICE OF **ANNUAL GENERAL MEETING**

EXPLANATORY NOTES

1. Resolution 4 - Directors' Fees and Benefits

Pursuant to Section 230 of the Act, any fees and benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The proposed Ordinary Resolution 4, if passed, will authorise the payment of Directors' fees for the financial year ended 31 March 2021 and Directors' benefits from 14 September 2021 until the next Annual General Meeting of the Company up to an aggregate amount of RM400,000.00.

2. Resolution 5 - Authority to continue in office as Independent Non-Executive Director

The Nomination Committee had assessed the independence of YBhg Tan Sri Dato' Academician Ir (Dr) Ahmad Zaidee Bin Laidin who has served on the Board as Independent Non-Executive Director for a cumulative term of more than nine (9) years. The Board has recommended that YBhg Tan Sri Dato' Academician Ir (Dr) Ahmad Zaidee Bin Laidin be re-appointed as Independent Non-Executive Director as he possesses the following aptitudes necessary in discharging his roles and functions as Independent Non-Executive Director of the Company:-

(i) Have vast experience in the various industries the Group is involved in and as such could provide the Board with a diverse set of experience, expertise and independent judgement;
(ii) Consistently challenge the management in an effective and constructive manner;
(iii) Have good and thorough understanding of the main drivers of the business in a detailed manner;
(iv) Actively participate in board deliberations and decision making in an objective manner; and
(v) Exercise due care in all undertakings of the Group and carry out their fiduciary duties in the interest of the Company and minority shareholders.

The Board will be seeking for shareholders' approval through a two-tier voting process at the 26th AGM to retain him as an Independent Non-Executive Director ("INED").

3. Resolution 6 - Proposed Renewal of Authority for Share Buy-Back

The proposed Ordinary Resolution 6, if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the total number of issued shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. For further information, please refer to the Statement to Shareholders dated 16 August 2021.

4. Resolution 7 - Authority to Issue Shares

The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed 20% General Mandate") up to 31 December 2021. With effect from 1 January 2022, the Proposed 20% General Mandate will be reinstated to a 10% limit ("Proposed 10% General Mandate") according to Paragraph 6.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The authority for the Proposed 10% General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting ("AGM") or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This proposed Resolution is a renewal of the previous year's mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

The Board of Directors of the Company is of the view that the Proposed 20% General Mandate is in the best interest of the Company and its shareholders as after considering the current economic climate and future financial needs of the Group.

The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this notice, the Company did not implement its proposal for new allotment of shares under the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 which was approved by the shareholders at the 25th AGM held on 28 September 2020 and will lapse at the conclusion of the 26th AGM to be held on 14 September 2021. As at the date of this notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Statement Accompanying Notice of Annual General Meeting pursuant to Paragraph 8.27(2) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements

There are no individuals who are standing for election as Director (excluding Directors standing for re-election) at the forthcoming Annual General Meeting.

General Mandate for Issue of Securities pursuant to Paragraph 6.03(3) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements

The general mandate for issue of shares ("the Mandate") was sought for in the preceding year and the Board did not carry out the Mandate since the last Annual General Meeting ("AGM") of the Company until the latest practicable date before the printing of this Annual Report. As the Mandate will expire on 14 September 2021, a renewal of authority is being sought at the forthcoming AGM.

This Mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to placing of shares, for the purpose of funding further investment project(s), working capital and/or acquisition.

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YLI HOLDINGS BERHAD
199501038047 (367249-A)
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.

No. of shares held

I/We ____ Tel : ______________________

[Full name in block, NRIC/Passport/Company No.]

of ____

____

being member(s) of **YLI Holdings Berhad**, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairperson of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Sixth Annual General Meeting of the Company to be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at https://tiih.online on Tuesday, 14 September 2021 at 11.00 a.m or any adjournment thereof, and to vote as indicated below:

Description of Resolution	RESOLUTIONS	FOR	AGAINST
Re-election of Mr Seah Heng Chin	Ordinary Resolution 1		
Re-election of Dr Abdul Latif Bin Shaikh Mohamed	Ordinary Resolution 2		
Re-appointment of Baker Tilly Monteiro Heng PLT as Auditors and to authorise the Directors to determine their remuneration	Ordinary Resolution 3		
Approval of Directors' fees and benefits	Ordinary Resolution 4		
Continuing in office for YBhg Tan Sri Dato' Academician Ir (Dr) Ahmad Zaidee Bin Laidin as Independent Non-Executive Director	Ordinary Resolution 5		
Proposed Renewal of Authority for Share Buy-Back	Ordinary Resolution 6		
Authority to Issue Shares	Ordinary Resolution 7		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this ____________________ day of _________________ 2021

____
Signature* Member

* Manner of execution:
(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

1. Proxy

*1.1 The AGM will be conducted fully virtual through live streaming and online meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") in Malaysia via its TIIH Online website at https://tiih.online. Members are to attend, speak (including posing questions to the Board of Directors of the Company via real time submission of typed texts) and vote (collectively, "**Participate**") remotely at this AGM via Remote Participation and Voting ("**RPV**") facilities provided by Tricor. Members are advised to follow the procedures of RPV as stated in the Administrative Guide.*

1.2 According to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 1 June 2021, an online meeting platform located in Malaysia is recognised as the meeting venue and all meeting participants of a fully virtual general meeting are required to participate in the meeting online.

1.3 For the purpose of determining who shall be entitled to participate in this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 7 September 2021. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this General Meeting or appoint a proxy to participate on his/her/its behalf via RPV.

1.4 As the 26th AGM is a fully virtual AGM, shareholders who are unable to participate in this 26th AGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the proxy form.

1.5 A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

1.6 A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the General Meeting.

1.7 Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

1.8 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. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

1.9 Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

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Stamp

THE POLL ADMINISTRATOR OF
YLI HOLDINGS BERHAD
c/o Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia

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1.10 The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the proxy form must be deposited at the poll administrator's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. In the case of electronic appointment, the proxy form must be electronically lodged via TIIH Online at https://tiih.online. Please refer to the Administrative Guide for the AGM on procedures for electronic lodgement of Proxy Form via TIIH Online. All proxy forms submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote.

1.11 Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the poll administrator's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

1.12 Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

1.13 Last date and time for lodging this proxy form is 11.00 a.m. on 12 September 2021, Sunday.

1.14 For a corporate member who has appointed a representative, please deposit the ORIGINAL certificate of appointment at the poll administrator's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:

- *(i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.*
- *(ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:*
  - *(a) at least two (2) authorised officers, of whom one shall be a director; or*
  - *(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.*

1.15 Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

1.16 Those proxy forms which are indicated with "√" in the spaces provided to show how the votes are to be cast will also be accepted.

YLI HOLDINGS BERHAD
199501038047 (367249-A)

45, Lorong Rahim Kajai 13,
Taman Tun Dr. Ismail,
60000 Kuala Lumpur, Malaysia.
Tel : (603) 77222296
Fax : (603) 77222057

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