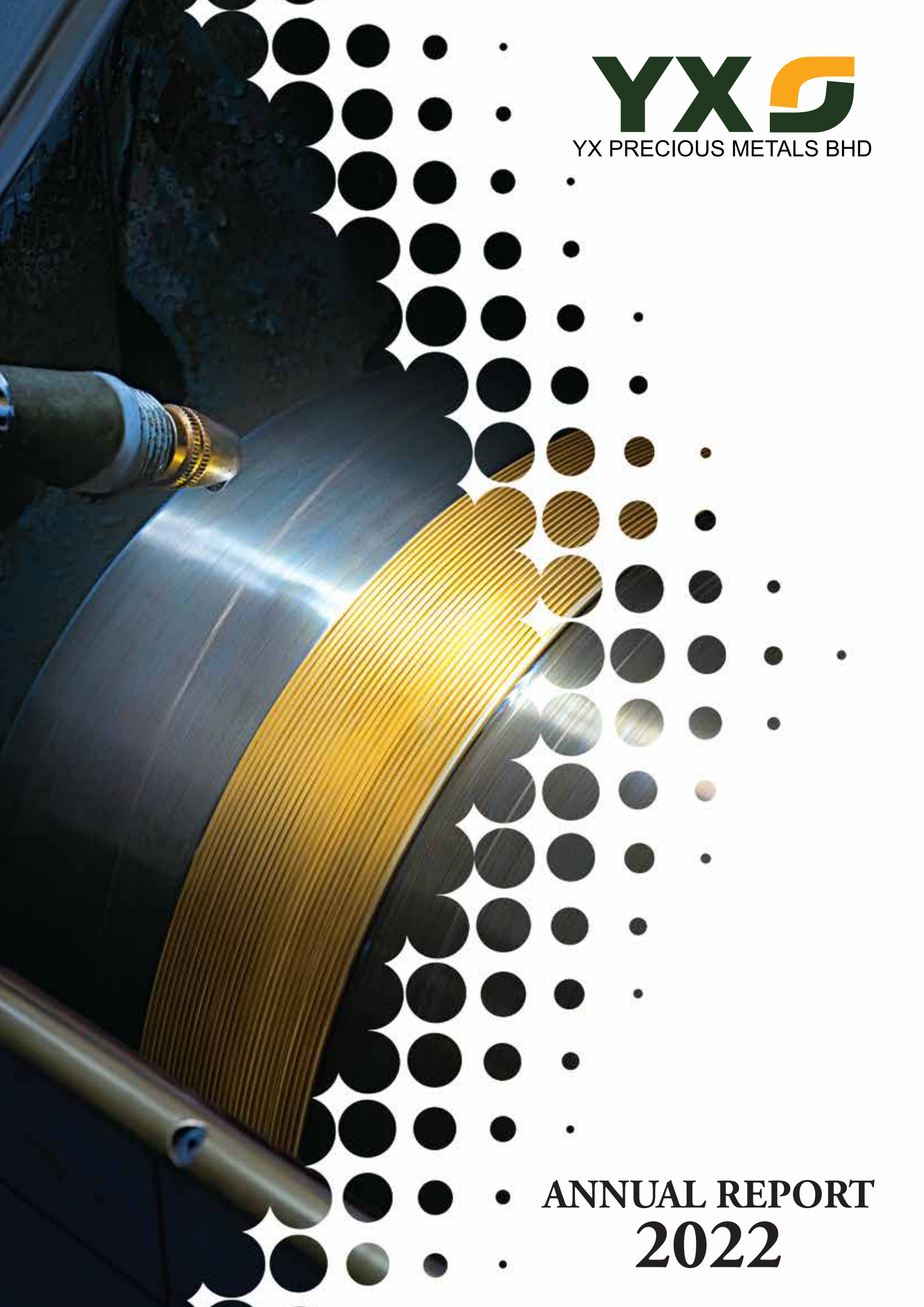




YX PRECIOUS METALS BHD



ANNUAL REPORT
2022



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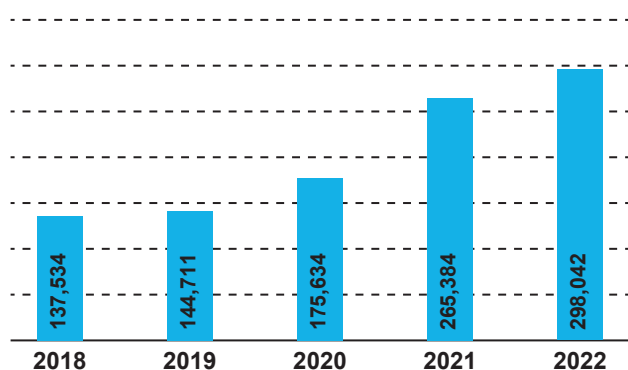
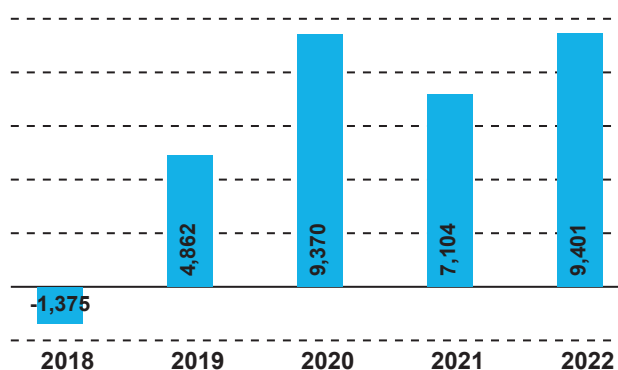
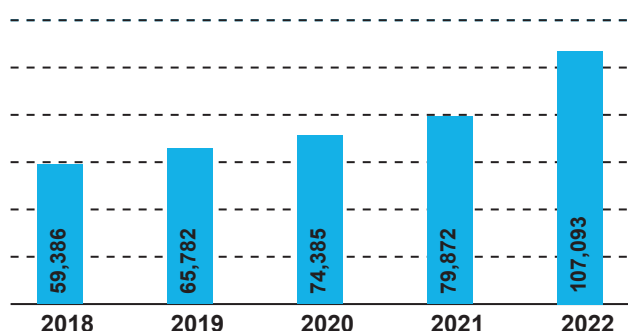
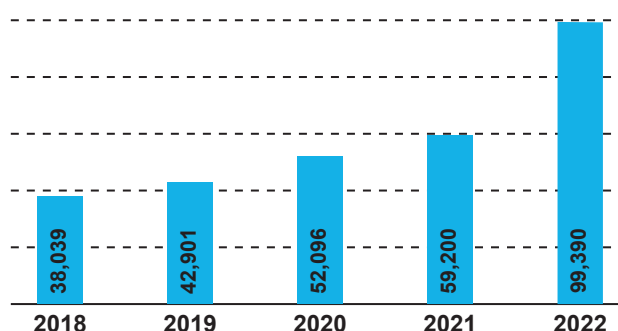
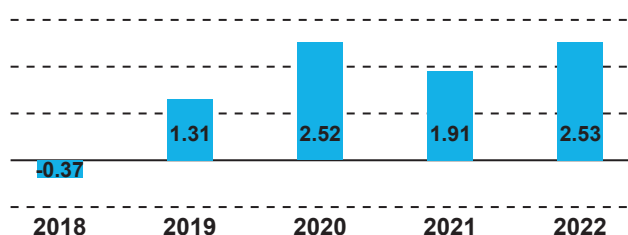
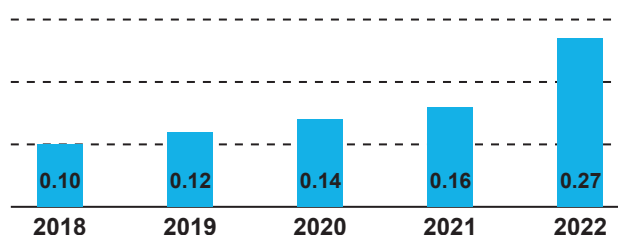
PROXY FORM

	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Revenue	137,534	144,711	175,634	265,384	298,042
(Loss)/Profit Before Tax	-1,396	6,281	12,395	9,290	13,219
(Loss)/Profit After Tax	-1,375	4,862	9,370	7,104	9,401
Total Assets	59,386	65,782	74,385	79,872	107,093
Shareholders' equity	38,039	42,901	52,096	59,200	99,390
Net earnings per share*	-0.37	1.31	2.52	1.91	2.53
Net tangible assets per share#	0.10	0.12	0.14	0.16	0.27

Notes:

* Net earnings per share is calculated based on the profit attributable to owners of the Company divided by 372,150,000 ordinary shares in YXPM ("Share(s)") in issue as at 31 December 2022.

Net tangible assets per share is calculated based on the net assets divided by 372,150,000 Shares in issue as at 31 December 2022.

Revenue
RM'000

Profit After Tax
RM'000

Total Assets
RM'000

Shareholders' equity
RM'000

Net Earnings per Share
sen

Net Tangible Assets per Share
sen


CORPORATE INFORMATION

Name	Designation
Tan Sri Azlan Bin Mohd Zainol (M)	Independent Non-Executive Chairman (Demised on 12 January 2023)
Puan Sri Nonadiah Binti Abdullah (F)	Non-Independent Non-Executive Chairman (Appointed on 28 February 2023)
Ng Sheau Chyn (F)	Managing Director
Datuk Ng Yih Pyng (M)	Non-Independent Non-Executive Director
Tang Yow Sai (M)	Independent Non-Executive Director
Aw Ee Leng (F)	Independent Non-Executive Director
Wong Phait Lee (F)	Independent Non-Executive Director

Audit and Risk Management Committee

Name	Designation
Tang Yow Sai	Chairman
Aw Ee Leng	Member
Wong Phait Lee	Member

Remuneration Committee

Name	Designation
Tang Yow Sai	Chairman
Aw Ee Leng	Member
Wong Phait Lee	Member

Nomination Committee

Name	Designation
Aw Ee Leng	Chairman
Tang Yow Sai	Member
Wong Phait Lee	Member

Company Secretary

Teoh Kok Jong
(LS 04719 / PC No. 201908001451)

Auditor

BDO PLT (201906000013
(LLP0018825-LCA) & AF 0206)
Level 8, Menara CenTARa
360, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Telephone No.: (603) 2616 2888
Fax No.: (603) 2616 3190

Sponsor

Public Investment Bank Berhad
(197401002880 (20027-W))
Level 27, Menara Public Bank 2
No. 78, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No.: (603) 2036 2800
Fax No.: (603) 2036 2860

Share Registrar

Bina Management (M) Sdn Bhd
(197901005880 (50164-V))
Lot 10, The Highway Centre
Jalan 51/205, 46050 Petaling Jaya
Selangor Darul Ehsan
Telephone No.: (603) 7784 3922
Fax No.: (603) 7784 1988

Principal Bankers

Ambank Berhad
(196901000166 (8515-D))
Bank of China (Malaysia) Berhad
(20001008645 (511251-V))
Hong Leong Bank Berhad
(193401000023 (97141-X))
United Overseas Bank (M) Berhad
(199301017069 (271809-K))

Registered Office

SO-26-02, Menara 1
No. 3, Jalan Bangsar
KL Eco City
59200 Kuala Lumpur
Telephone No.: (603) 2381 2188
Fax No.: (603) 2201 5608

Head Office

No. 23, Jalan 2/131A
Project Jaya Industrial Estate
Batu 6, Jalan Kelang Lama
58200 Kuala Lumpur
Telephone No.: (603) 7785 9969
Fax No.: (603) 7782 3730

Stock Exchange

ACE Market of Bursa Malaysia
Securities Berhad
Stock Code: 0250
Stock Name: YXPM

Website

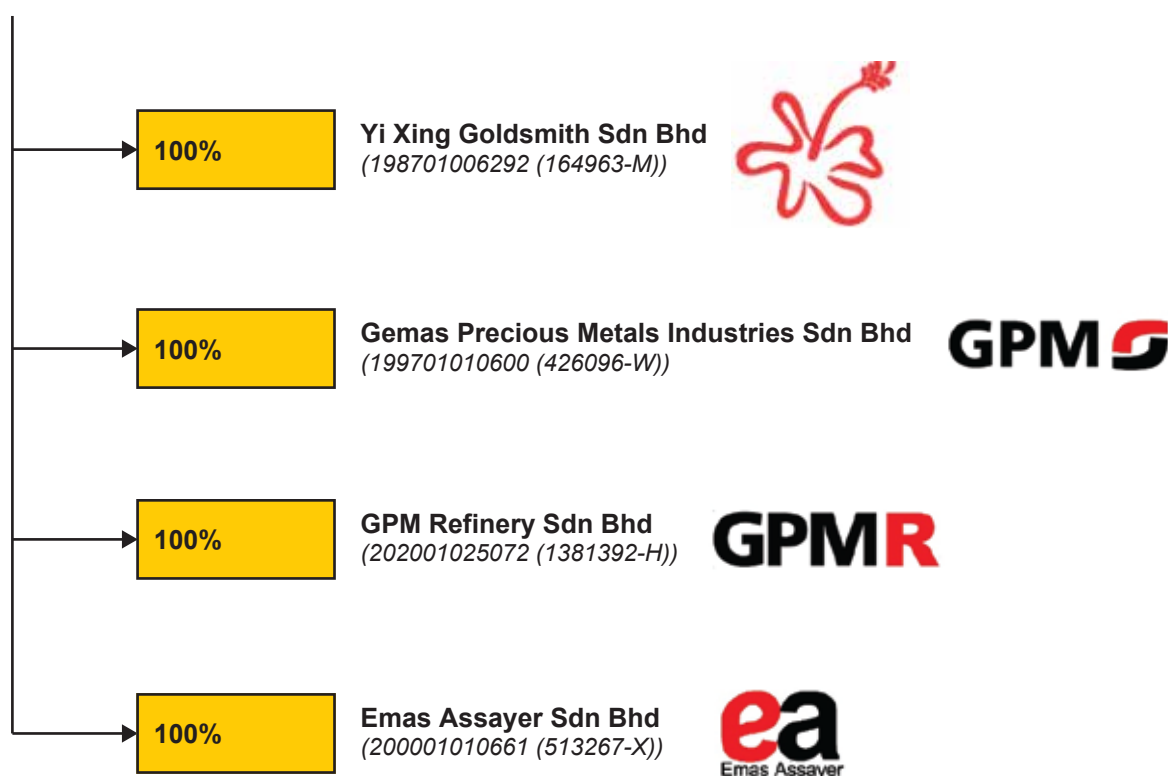
<https://yxgroup.com.my/>



YX PRECIOUS METALS BHD

(202101001245 (1401543-M))

(Incorporated in Malaysia under the Companies Act 2016)



YX Precious Metals Bhd (“YXPM” or “Company”) is an investment holding company. Through our subsidiaries, namely Yi Xing Goldsmith Sdn Bhd (“YXG”), Gemas Precious Metals Industries Sdn Bhd (“GPM”), Emas Assayer Sdn Bhd (“EASB”) and GPM Refinery Sdn Bhd (“GRSB”) (collectively referred to as “YXPM Group” or “Group”), we are principally involved in wholesaling, design and manufacturing of gold jewellery. Our other related products and services include sales of scrap and pure gold bars, manufacture of silver chains, and provision of refining services for precious metals. Our Group was further complemented by the commencement of refining activities under GRSB in the year 2022. We intend to further expand our services to provide assaying service through EASB in 2023.

The successful history of YXPM spans back 31 years when we first commenced our business as a wholesaler of gold jewellery through YXG in 1992. In 1999, GPM commenced its operations as a manufacturer of jewellery focusing on chain jewellery products, as well as refining of precious metals. Through GPM, we have established our own in-house design team and commenced gold jewellery design to support our wholesale operations which complemented our Group to become a gold jewellery specialist in 2002. We design and manufacture all kind of gold jewellery which includes aglets, bracelets, bangle, necklace, pendant, coins and gold bars.

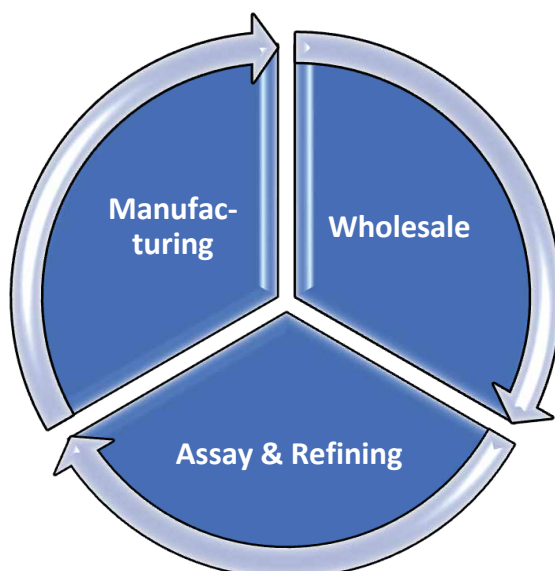
We started exporting jewellery products namely silver chains to Germany and gold jewellery to Singapore and Indonesia in 2003 and subsequently expanded our export markets to Hong Kong in 2013, Myanmar in 2014 and Brunei in 2022.

In 2007, YXG obtained ISO 9001: 2000 accreditation for trading of gold jewellery and related articles from SIRIM QAS International Sdn Bhd and GPM obtained ISO 9001:2000 accreditation for design, manufacture and sales of gold jewellery and related articles from SIRIM QAS International Sdn Bhd. The certifications were subsequently renewed and upgraded to ISO 9001:2015. With this, it indicates that our group had adhere to international standards on quality management systems in respect of its respective business activities.

Over the years, our Group has successfully become an integrated gold jewellery wholesaler and manufacturer. Today, we are a one-stop supply centre for gold jewellery to our customers which totalled more than 300, providing a wide range of gold jewellery products and offering diverse design choices.

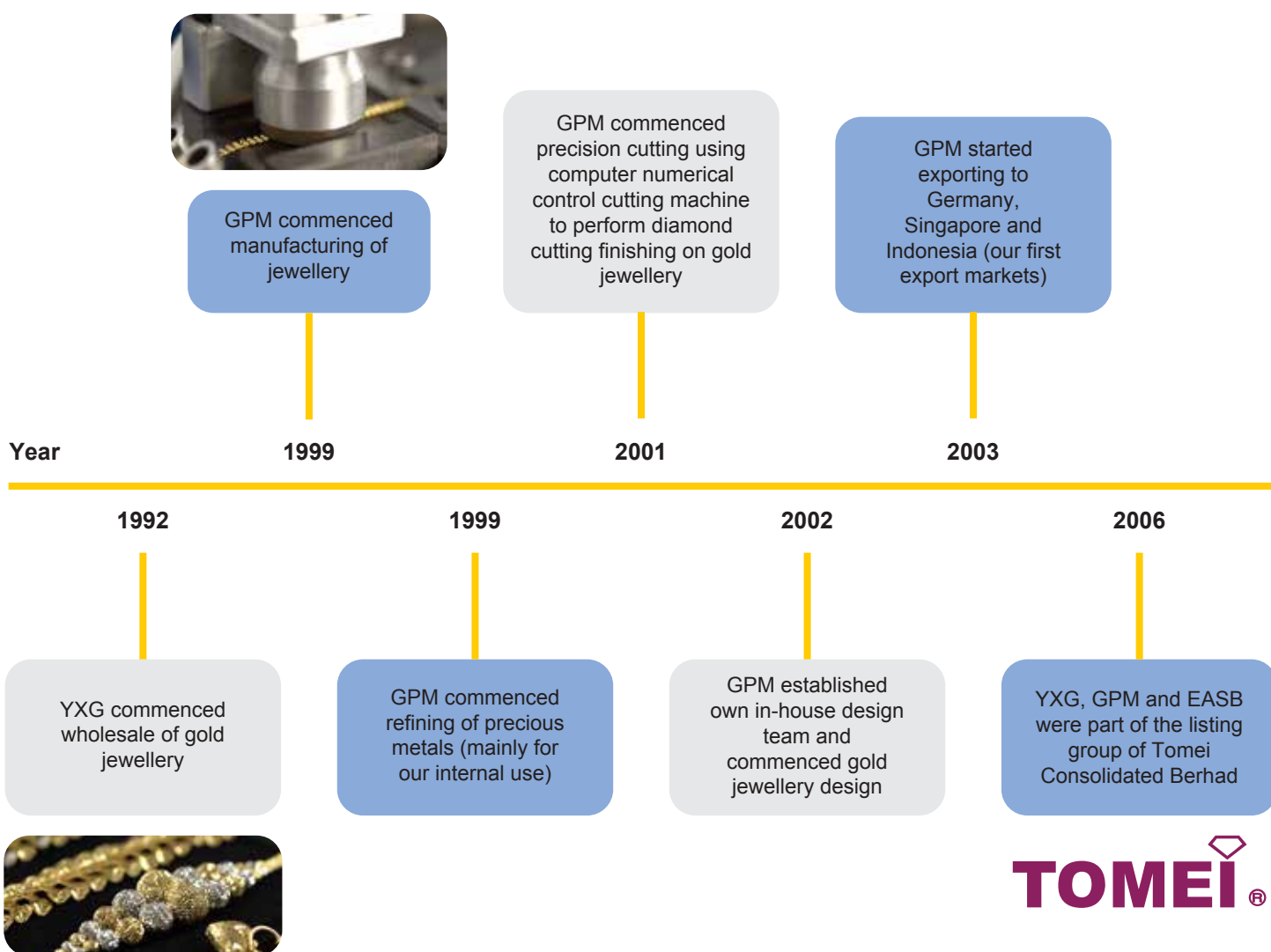
Through GPM, we utilise a combination of hand-made craftsmanship with innovative technologies to create a wide range of jewellery pieces.

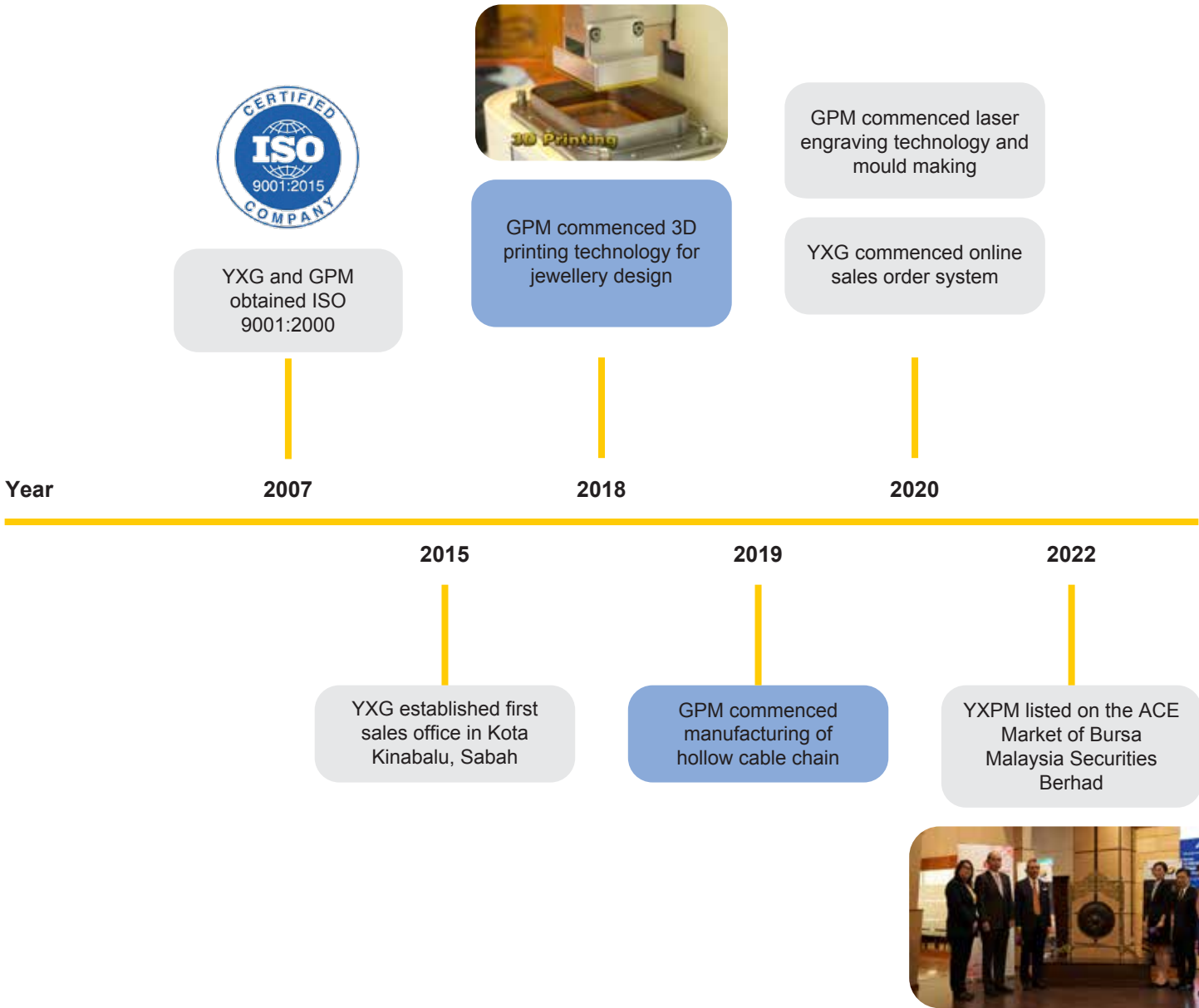
As a gold jewellery manufacturer, our specialisation is in chain jewellery products and we are equipped with 43 chain making machines to manufacture various type of chain designs and sizes.



Through YXG, we provide our customers option of selecting either in-house designs or external manufacturers' designs to cater to customers' diverse needs. We source our gold jewellery from wide supplier base of approximately 50 external manufacturers and the Group's in-house manufacturing arm, GPM.

Through GRSB, we provide refinery services to our customer. The Group also intends to carry out assaying services through EASB. As at the date of this Annual Report, EASB has yet to commenced operations. The provision of assay and refinery services complements the Group's internal manufacturing processes and allows the Group to control quality of products.






YXPM Group Annual Lunch
– 7 February 2022

**YXPM's Prospectus
Launching Ceremony**
– 30 May 2022

**Signing of Underwriting Agreement
between YXPM and
Public Investment Bank Berhad**
– 21 April 2022

**Listing on the ACE Market of Bursa Malaysia
Securities Berhad**
– 23 June 2022

Public Issue Balloting Ceremony
– 14 June 2022



Puan Sri Nonadiah Binti Abdullah

Non-Independent Non-Executive Chairman

Age	65
Gender	Female
Nationality	Malaysian
Date of Appointment	28 February 2023
Number of Board Meeting attended	N/A*

** Puan Sri Nonadiah binti Abdullah was only appointed to the Board on 28 February 2023 subsequent to the close of our FYE 2022*

Puan Sri Nonadiah Binti Abdullah, a Malaysian, aged 65, is our Non-Independent Non-Executive Chairman. She was appointed to our Board on 28 February 2023.

She graduated with a Bachelor of Business (Administration) from the Royal Melbourne Institute of Technology in Australia. She also holds a Diploma in Montessori Method of Education from St Nicholas, London, United Kingdom.

Puan Sri Nonadiah is currently the Chairman of the Private Education Entrepreneur Association of Malaysia, appointed in May 2021. She is also the Managing Director of a group of early childhood educational institutions, which she founded in 2006.

Prior to this, she was a licensed Dealers Representative at a stockbroking firm. Previous roles include Manager Corporate Banking (Bumiputra Commerce Bank Berhad) and Accounts Executive (Public Works Department, Australia).

Prior to joining our Board as Chairman, Puan Sri Nonadiah served as Independent Non-Executive Director of Tomei Consolidated Berhad ("Tomei") from 21 April 2006 to 27 February 2023.

Save for YXPM, she does not sit on the board of directors of any other public companies and listed companies. She also does not have any family relationship with any directors and/or major shareholders of the Company.



Ng Sheau Chyn

Managing Director

Age	52
Gender	Female
Nationality	Malaysian
Date of Appointment	11 January 2021
Number of Board Meeting attended	5/5

Ms. Ng Sheau Chyn, a Malaysian, aged 52, is our Managing Director. She was appointed to our Board on 11 January 2021.

She obtained a Bachelor of Science degree in Computer Engineering as well as a Master degree in Computer Engineering from Iowa State University in the United States of America ("USA") in 1990 and 1991, respectively. She also served as a Research Assistant in the Department of Electrical and Computer Engineering at the same university from 1990 to 1992.

Since her return to Malaysia in 1992, she joined YXG as a director and has been continuously responsible for the wholesale and manufacturing operations of our Group, which is part of the Tomei Group. As our Managing Director and with her involvements in our Group since 1992, she has been instrumental in the growth and development of our Group. Further, she is responsible for developing the strategic direction and business expansion strategies of our Group.

Save for YXPM, she does not sit on the board of directors of any other public companies and listed companies. Ms. Ng is the sibling of Datuk Ng Yih Pyng (our Non-Independent Non-Executive Director), Mr. Ng Yih Chen and Ms. Ng Sheau Yuen, all of whom are our major shareholders. Ms. Ng is also a major shareholder of Tomei, being our major shareholder who is carrying on a related trade as that of our Group or which are our customers or suppliers.



Tang Yow Sai

Independent Non-Executive Director

Age	59
Gender	Male
Nationality	Malaysian
Date of Appointment	31 May 2021
Number of Board Meeting attended	5/5

Mr. Tang Yow Sai, a Malaysian, aged 59, is our Independent Non-Executive Director. He was appointed to our Board on 31 May 2021. He is also the Chairman of our Audit and Risk Management Committee as well as Remuneration Committee and a member of our Nomination Committee.

He is a Certified Public Accountant and is a member of the Malaysian Institute of Certified Public Accountants since June 1993. He also obtained the Associate Qualification in Islamic Finance in 2012 and the Intermediate Qualification in Islamic Finance in 2015, both from the Islamic Banking and Finance Institute Malaysia. Aside from that, he is a Chartered Professional in Islamic Finance and is a member of the Chartered Institute of Islamic Finance Professionals since 2019.

He joined Messrs Hanafiah Raslan Mohamad in 1983 as a contracted articled clerk, which is part of the journey to obtain his professional certificate from the Malaysian Institute of Certified Public Accountants. In 1991, Messrs Hanafiah Raslan Mohamad merged with Messrs Arthur Andersen and he continued working in Messrs Arthur Andersen until 1992.

In 1992, he joined Commerce International Merchant Bankers Berhad ("CIMB"), where his last position in CIMB before he left was Manager of Corporate Finance. In 1995, he left CIMB to join Ekran Berhad as their General Manager in Corporate Finance until 2002.

From 2002 to August 2004, he engaged in freelance work where he provided assistance and advice on accounting and tax matters to his freelance clients. In September 2004, he joined Tebrau Teguh Berhad (now known as Iskandar Waterfront City Berhad) as the Financial Controller until November 2004.

In December 2004, he joined Malaysia Building Society Berhad ("MBSB") as their Group Financial Controller. He was then re-designated as the Chief Financial Officer of MBSB in October 2010. After MBSB acquired MBSB Bank Berhad in February 2018, he was appointed as the Group Financial Officer for MBSB and Chief Financial Officer for MBSB Bank Berhad. On 19 January 2021, he retired from his position in MBSB and MBSB Bank Berhad. Mr. Tang has approximately 40 years of working experience in accounting, property development and financial services sectors.

Save for YXPM, he does not sit on the board of directors of any other public companies and listed companies. He does not have any family relationship with any directors and/or major shareholders of the Company.



Aw Ee Leng

Independent Non-Executive Director

Age	49
Gender	Female
Nationality	Malaysian
Date of Appointment	31 May 2021
Number of Board Meeting attended	5/5

Ms. Aw Ee Leng, a Malaysian, aged 49, is our Independent Non-Executive Director. She was appointed to our Board on 31 May 2021. She is also the Chairman of our Nomination Committee and a member of our Audit and Risk Management Committee as well as Remuneration Committee.

Ms. Aw graduated from University College London, University of London in 1997 with LLB (Hons). After completing her Certificate in Legal Practice in 1998, she commenced her career in the IT and hospitality industry in which she gained invaluable exposure and working experience in Hong Kong, China and Taiwan.

Ms. Aw was admitted to the Malaysian Bar in May 2002 and commenced practice at Teh & Lee within the same year. A partner since January 2008, her areas of practice include commercial advisory, corporate advisory (including drafting of prospectus, circular to shareholders and announcements) and compliance (due diligence review for submissions to the Securities Commission Malaysia and Bursa Malaysia Securities Berhad), mergers and acquisitions as well as conveyancing and banking (corporate, commercial and retail). She also does non-contentious court applications such as capital reductions. Amongst her latest initial public offerings (IPO) involvements are Heng Hup Holdings Limited (Hong Kong Stock Exchange), Solarvest Holdings Berhad, Ocean Vantage Holdings Berhad, Nestcon Berhad, CEKD Berhad, Yew Lee Pacific Group Berhad and Orgabio Holdings Berhad.

Save for YXPM, Exsim Ventures Berhad and Exsim Capital Resources Berhad, she does not sit on the board of directors of any other public companies and listed companies. She does not have any family relationship with any directors and/or major shareholders of the Company.



Wong Phait Lee

Independent Non-Executive Director

Age	48
Gender	Female
Nationality	Malaysian
Date of Appointment	1 March 2022
Number of Board Meeting attended	4/4

Ms. Wong Phait Lee, a Malaysian, aged 48, is our Independent Non-Executive Director. She was appointed to our Board on 1 March 2022. She is a member of our Audit and Risk Management Committee, Nomination Committee as well as Remuneration Committee.

She is a Certified Practising Accountant and holds a Bachelor of Commerce from The University of Western Australia. She is a member of Australian Certified Practising Accountant (ASCPA).

She has more than 20 years in investment experience (public and private) as well as extensive knowledge in corporate finance, mergers & acquisitions, and capital markets. She also has more than 5 years operational experience in the development and operation of digital video streaming services with Astro Malaysia. She now serves as a media executive with Lionsgate Play Malaysia as General Manager, where she oversees the partnership and expands the footprint of Lionsgate Play's service in Malaysia.

Save for YXPM, she does not sit on the board of directors of any other public companies and listed companies. She does not have any family relationship with any directors and/or major shareholders of the Company.



Datuk Ng Yih Pyng

Non-Independent Non-Executive Director

Age	51
Gender	Male
Nationality	Malaysian
Date of Appointment	11 January 2021
Number of Board Meeting attended	5/5

Datuk Ng Yih Pyng, a Malaysian, aged 51, is our Non-Independent Non-Executive Director. He was appointed to our Board on 11 January 2021 as a corporate representative of our substantial shareholder, namely Tomei.

Datuk Ng obtained his Bachelor of Business Administration degree in Finance in 1990 from Iowa State University in the USA and he received a Master in Business Administration in Corporate Finance in 1991 from the same university.

Upon graduation, Datuk Ng joined the Tomei Group and is responsible for the overall management and business development of the Tomei Group. He is currently the Managing Director and an indirect major shareholder of Tomei.

Datuk Ng is also the advisor for the Federation of Goldsmiths and Jewellers Association of Malaysia since April 2014. He is the council member of the Chinese Chamber of Commerce & Industry of Kuala Lumpur & Selangor Darul Ehsan since May 2009, where he holds the position of President. In addition, he was elected as the national council member of the Associated Chinese Chamber of Commerce & Industry Malaysia in July 2012 and serves as its Deputy President.

Save for YXPM and Tomei, he does not sit on the board of directors of any other public companies and listed companies. Datuk Ng is the sibling of Ms. Ng Sheau Chyn (our Managing Director), Mr. Ng Yih Chen and Ms. Ng Sheau Yuen, all of whom are our major shareholders. Datuk Ng is also a major shareholder of Tomei, being our major shareholder who is carrying on a related trade as that of our Group or which are our customers or suppliers.

Notes:

1. Save as disclosed in the respective Director's profile above and Recurrent Related Parties transactions as disclosed in the Additional Compliance Information section of the Annual Report, none of the Director have:
 - a. any conflict of interest with the Company;
 - b. any conviction of offences (other than traffic offences) within the past five (5) years; and
 - c. any sanctions and penalty imposed on them by relevant regulatory bodies during the financial year.
2. The respective Directors' interests in the Company are detailed in Shareholding Analysis of the Annual Report.

BOARD DIVERSITY

Board Composition	Non-Independent Non-Executive Chairman	1
	Independent Non-Executive Director	3
	Non-Independent Non-Executive Director	1
	Managing Director	1
Board Age	> 60 years old	1
	50 - 60 years old	3
	< 50 years old	2
Board Gender	Male	2
	Female	4

Samuel Sia Hsiao Guong
Group Financial Controller

Age	33
Gender	Male
Nationality	Malaysian
Date of Appointment	1 November 2020

Mr. Samuel Sia Hsiao Guong, a Malaysian, aged 33, is our Group Financial Controller. He is responsible for overseeing our Group's tax, accounting and financial matters.

He graduated in 2010 from Sunway University with qualification from the Association of Chartered Certified Accountants ("ACCA"). Upon completion of 3 years practical experience in the accounting sector, he was admitted as a member of ACCA in 2013. In 2015, he was admitted as a Chartered Accountant of the Malaysian Institute of Accountants and in 2018, he was admitted as a Fellow Member of the ACCA. In 2020, he obtained his Masters in Business Administration from Victoria University, Australia.

In 2010, he joined BDO PLT, Malaysia as their Senior Manager in Audit until 2016, where he was responsible for conducting and managing statutory audits for BDO PLT's clients. In 2016, he joined Deloitte PLT, Malaysia as their Manager in Audit until 2017 where his responsibilities include the management of statutory audit and assurance assignment for Deloitte PLT's clients.

He later joined Herman Corporate Advisory Sdn Bhd in 2017 as their Senior Manager in Corporate Finance, where he was responsible in assisting the company's clients in their preparation of financial related matters for their initial public offering proposals.

In 2018, he left Herman Corporate Advisory Sdn Bhd to join Ace Innovate Asia Berhad as their Chief Financial Officer, where he was responsible for financial matters as well as human resource matters. He was also responsible in ensuring the company's compliance with the applicable financial reporting standards.

Subsequently, he left Ace Innovate Asia Berhad in March 2020 to provide freelance accounting services during the Movement Control Order and Conditional Movement Control Order periods. He subsequently joined our Group as Group Financial Controller in November 2020. He brings with him more than 10 years of experience in accounting and finance to our Group.

Lim Wai Chee
Head of Design and Development

Age	54
Gender	Female
Nationality	Malaysian
Date of Appointment	3 May 2021

Ms. Lim Wai Chee, a Malaysian, aged 54, is our Head of Design and Development. She is responsible for overseeing our Group's product development and jewellery designs.

She received her qualifications from the London Chamber of Commerce and Industry Examinations Board ("LCCI"), where she obtained a distinction in book-keeping and accounts in 1989. She started her career with Qualitypack Sdn Bhd in 1989 as an Accounts Assistant until 1990, where she left the company to further her studies.

In 1991, she started her Diploma studies in Fine Arts and obtained her Diploma in Fine Arts, majoring in Oil Painting from the Malaysian Institute of Art in 1993.

In 1994, she joined Carpets International Malaysia Berhad as their designer, where she was involved in carpet designing. In 1995, she left Carpets International Malaysia Berhad to join Poh Kong Jewellery Manufacturer Sdn Bhd as their Designer, where she embarked on her career in jewellery design.

She left Poh Kong Jewellery Manufacturer Sdn Bhd in 2002 to join YXG as our Senior Designer, where she continued to hone her skills in designing jewellery. With more than 20 years of experience in jewellery design, she is responsible for leading our Group's product development and design team. In 2021, she assumed her current role as our Head of Design and Development.

Ong Hui Eng

Head of Resource Planning

Age	47
Gender	Female
Nationality	Malaysian
Date of Appointment	3 May 2021

Ms. Ong Hui Eng, a Malaysian, aged 47, is our Head of Resource Planning. She is responsible for overseeing our Group's inventory management.

She received her certification from LCCI, where she obtained distinction in book-keeping and accounts in 1995. She also obtained her Third Level Group Diploma in Accounting from LCCI and her Diploma in Accounting from the School of Accountancy and Business Studies Petaling Jaya in 1995. Further in 1995, she achieved First Class in Accounting Level 3 awarded by the Pitman Examinations Institute, London, England.

In 1995, she started her career with Kawalan Keselamatan Sdn Bhd as their Account Executive until 1997, where she was responsible for the day-to-day finance operations. She then left Kawalan Keselamatan Sdn Bhd to join DIC (Malaysia) Sdn Bhd as their Account Executive where she was responsible for maintaining the company's accounting records.

Subsequently, she left DIC (Malaysia) Sdn Bhd in 2000 to join YXG as our account clerk, where her job responsibilities include day-to-day purchase ordering, inventory level management and co-ordination of YXG's wholesale operations.

With more than 20 years of experience working in our Group, she leads the resource planning team of our Group. In 2021, she assumed her current role as our Head of Resource Planning.

Whelly @ James Bin Gonsorob @ Roseday

Head of Production

Age	43
Gender	Male
Nationality	Malaysian
Date of Appointment	1 June 2021

Mr. Whelly @ James Bin Gonsorob @ Roseday, a Malaysian, aged 43, is our Head of Production. He is responsible for overseeing our Group's manufacturing activities.

He received his Diploma in Wood Technology from Kolej Teknikal Yayasan Sabah in 1999.

In June 2000, he joined GPM as a technician where he was responsible in managing chain production, jewellery cutting and casting process. With more than 20 years of experience working in our Group, he was promoted to Production Manager in February 2021, where his responsibilities include managing our manufacturing operations and maintenance of machineries. In June 2021, he assumed his current role as our Head of Production.

Additional Information:

Save as disclosed above, none of the Key Senior Management have:-

- (a) any conflict of interest with the Company;
- (b) any conviction of offences (other than traffic offences) within the past five (5) years;
- (c) any sanctions and penalty imposed on them by relevant regulatory bodies during the financial year;
- (d) any relationship with any of the directors and/or major shareholders of the Company; and
- (e) any directorship in other public companies and listed companies.



Dear esteemed shareholders,

On behalf of the Board of Directors of YX Precious Metals Bhd ("YXPM" or "Company") ("Board"), it is my honour to present to you our maiden annual report as a public-listed company for the financial year ended 31 December 2022 ("FYE 2022").

Puan Sri Nonadiah Binti Abdullah
Non-Independent Non-Executive
Chairman

Acknowledgement

I would like to start by thanking my predecessor, the late Tan Sri Azlan Bin Mohd Zainol ("Tan Sri Azlan") for his service to YXPM. Tan Sri Azlan's guidance and leadership was vital to the successful listing of YXPM on ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). I am honoured to be given the opportunity to contribute and be part of YXPM's mission of pioneering superior products and excellent/creative designs as we chart our next phase of sustainable growth.

A new beginning

FYE 2022 was a year of charting new horizons for YXPM, as we became a public-listed entity. The Group debuted on the ACE Market of Bursa Securities on 23 June 2022. The listing marks the start of a new and exciting era of growth and opportunity.

Our IPO was met with overwhelming public response being oversubscribed by 26.36 times. Through the IPO exercise, we raised a total of RM31.26 million in cash, which will certainly fast-track the Group's future plans. This listing will propel us for a growth journey with enhanced reputation and credentials.

Lastly, we would like to take this opportunity to thank all stakeholders for their confidence in us and their tremendous support for the IPO.

Review of FYE 2022 financial performance

The year 2022 was challenging for most economies and industries. Although Malaysia had transitioned to the endemic phase of COVID-19 with international borders re-opened, there were still various significant concerns over uncertainties arising from geopolitical developments, such as the Russia-Ukraine war, rising tensions between the United States of America and China, and increasing interest rates. These uncertainties impacted and continue to impact global gold prices.

For the Group, the momentum of economic growth post COVID-19 has provided us with a solid start. Although there was significant fluctuation of gold prices during the financial year, the demand for gold jewellery from our customers has improved as a result of the robust economic growth and various government initiatives to recover the economy. Through efficient utilisation of resources and prudent cost management, the Group managed to persevere and achieved positive results.

The Group achieved revenue of RM298.04 million in FYE 2022 compared to the previous year of RM265.38 million due to higher sales volume of gold jewellery. The profit before tax ("PBT") of RM13.22 million and the profit after tax ("PAT") of RM9.40 million represented an increase of 42.29% and 32.33% respectively compared to the previous financial year.

Further details on the financial performance of the Group are highlighted in the Management Discussion and Analysis section of this Annual Report.

Sustainability

We have embedded the concept of sustainability into our way of doing business with the motto "Whatever taken from society should be returned to society". It has been our culture and the Board's long-term commitment to ensure that our business is sustainable and all business decisions are made with the mindset of fair and equitable concerns to all stakeholders.

Our sustainability initiatives are further disclosed in the Sustainability Statement section of this Annual Report.

Dividend

It is our Boards' policy to recommend dividends to allow our shareholders to participate in the profits of our Group. Nonetheless, we do not currently have a formal dividend policy.

However, in view of the favourable financial performance for FYE 2022, the Board is pleased to recommend the first and final single tier dividend of 0.80 sen per ordinary share for shareholders' approval at the forthcoming Annual General Meeting.

Outlook

Despite the many challenges faced during the year, the Group has adapted and performed well. The Group anticipates that business conditions in the future will likely remain challenging, primarily influenced by the geo-political risks, fluctuations of global gold prices and foreign exchange rates, and demand for local jewellery with uncertainties continuing to affect global and local markets.

Moving forward, the Malaysian economy is expected to continue the recovery trajectory. By capitalising on the economic recovery and the rebound in demand for gold jewellery in Malaysia, coupled with internal initiatives at YXPM to enhance productivity and wholesale sales volume, I believe the financial performance of the Group will remain satisfactory.

Appreciation

On behalf of the Board, I would like to convey my heartfelt appreciation to the management and employees of YXPM Group for their hard work, commitment, contributions to Group to achieve the financial performance for FYE 2022.

On behalf of the Board, I would also like to express my gratitude to our external stakeholders, including but not limited to our valued shareholders, customers, business partners, bankers, and suppliers for their continuous support. I would also like to thank the regulatory bodies and our IPO professional teams for their guidance and support, especially on our journey leading to the listing on the ACE Market of Bursa Securities.

Finally, I would like to acknowledge my fellow Board members for their insights, perspectives and opinions during the leadership of Tan Sri Azlan and since my appointment as the Chairman of the Company. Collectively, the Board offers diversity in terms of background, experience and exposure. I believe with the management spearheading the direction of YXPM under the stewardship and oversight of the Board, our Group will be on the path towards new heights and greater success.

BUSINESS OVERVIEW

We, YX Precious Metals Bhd (“YXPM” or “Company”) is an investment holding company. YXPM and its subsidiaries, namely Yi Xing Goldsmith Sdn Bhd, Gemas Precious Metals Industries Sdn Bhd, GPM Refinery Sdn Bhd and Emas Assayer Sdn Bhd (collectively known as “YXPM Group” or “Group”) are principally involved in wholesaling, design and manufacturing of gold jewellery. We also offer other related products and services including sales of scrap and pure gold bars, manufacture of silver chains, and provision of refining services for precious metals. Our business model is based on sales of gold jewellery to trade customers for resale, which includes jewellery retailers, wholesalers and manufacturers.

We are a gold jewellery specialist where our wholesale operations are supported by our in-house design team and manufacturing operations. This will allow our Group to customise its jewellery according to its clients’ requests and ensuring quality control for all its products. Summary of our strength are as follows:



Wholesale operation

Our wholesale operations provides our customers options of selecting either in-house designs or external manufacturers’ designs to cater to customers’ diverse needs. Our wholesale division has a wide market reach covering whole of Malaysia and exports to Singapore, Germany, Hong Kong and Brunei. Our customer base are trade customers or intermediaries, such as jewellery resellers (retailers and wholesalers) and jewellery manufacturers.

We source gold jewellery from a wide supplier base of more than fifty (50) external manufacturers, as well as the Group’s in-house manufacturing arm, Gemas Precious Metals Industries Sdn Bhd.

In financial year ended 31 December (“FYE”) 2022, we operated from two (2) sales offices in Malaysia, i.e. Kuala Lumpur and Kota Kinabalu, Sabah. Our sales office in Kuala Lumpur comprises nine (9) sales personnel and it covers the market in Peninsular Malaysia as well as export markets. Our sales office in Sabah comprises four (4) sales personnel and it covers the entire market in East Malaysia.



Manufacturing operation

Design



Our manufacturing operations are managed by a capable and skilled team comprising our own in-house designers, which allows the Group to customise product designs in order to cater to clients' requirements.

In FYE 2022, the Group has accumulated more than 3,000 in-house jewellery designs, of which more than 400 active designs are currently used in the Group's manufacturing operations. Our Group has four (4) registered industrial designs as of 31 December 2022.

Manufacturing

Our manufacturing facilities utilise a combination of hand-made craftsmanship and innovative technologies to create a wide range of 916 gold jewellery pieces.

We specialise in manufacturing chain jewellery products and are equipped with 43 chain making machines.



Products

We specialised in manufacturing and wholesale of yellow gold jewellery products. This is in line with Malaysians' preference for gold jewellery for their creative design and inherent value. The range of gold jewellery manufactured by YXPM Group are as follows:

Gold Jewellery Set



Pendants



Necklaces



Rings



Anklets



Bangles



Earrings



Bracelets



REVIEW OF FINANCIAL RESULTS

The Group's key performance indicators for the FYE 2022 as compared to FYE 2021 are as follows: -

Group financial performance:

	2022 RM'000	2021 RM'000	Changes %
Revenue	298,042	265,384	12.31
Gross Profit	21,875	14,342	52.52
Profit Before Tax ("PBT")	13,219	9,290	42.29
Profit After Tax ("PAT")	9,401	7,104	32.33
Gross Profit Margin (%)	7.34	5.40	35.93
PBT Margin (%)	4.44	3.50	26.86
PAT Margin (%)	3.15	2.68	17.54
Basic earnings per share (sen) ⁽ⁱ⁾	2.53	1.91	32.46
Diluted earnings per share (sen) ⁽ⁱ⁾	2.53	1.91	32.46

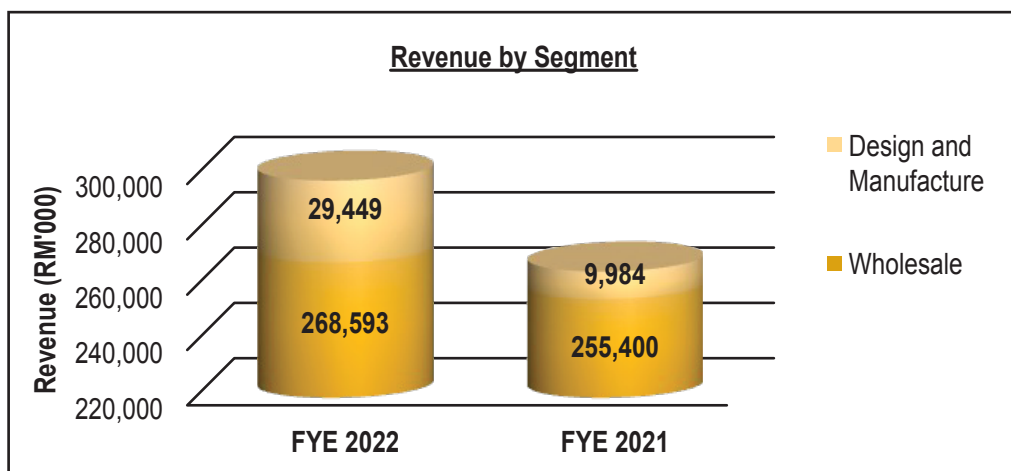
Note:

- (i) Basic earnings per share and diluted earnings per share are calculated based on the profit attributable to owners of the Company divided by 372,150,000 ordinary shares in YXPM ("Share(s)") in issue as at 31 December 2022. There are no dilutive instruments at the end of the financial year.

Revenue

For the FYE 2022, the Group recorded an increase in revenue of RM32.66 million or 12.31% to RM298.04 million as compared to FYE 2021. This was due mainly to the increase in gold jewellery volume sold as a result of higher demand of our jewellery products.

Our revenue by business segment for FYE 2022 and FYE 2021 were as follows:



Revenue from wholesale segment remains as the primary contributor to our Group's total revenue for FYE 2022, which registered a growth in revenue to RM268.59 million, representing an improvement of RM13.19 million or 5.17% due mainly to higher gold jewellery volume sold arising from higher demands from customers in Peninsular Malaysia. Revenue from design and manufacture has also increased significantly to RM29.45 million, representing an improvement of RM19.47 million due mainly to higher gold jewellery volume sold arising from higher demands from customers in Peninsular Malaysia and Singapore.

Higher demand of our gold jewellery was due mainly to the lifting of movement control order in October 2021 as Malaysia enters into the endemic phase. The Malaysian government had imposed a series of national quarantine in 2020 and 2021 to curb the COVID-19 pandemic. The said quarantines had impacted our sales activities during that period as our customers were encompassed with restrictions on movement and our manufacturing facilities were on a lockdown.

The Group's revenue by geographical regions are as follows:

	2022 RM'000	2021 RM'000	Changes %
Malaysia	285,953	258,970	10.42
- Peninsular Malaysia	177,199	130,816	35.46
- East Malaysia	108,754	128,154	(15.14)
Foreign Countries	12,089	6,414	88.48
- Singapore	9,482	5,672	67.17
- Others	2,607	742	251.35
Total	298,042	265,384	12.31

Higher sales volume of gold jewellery as mentioned above was mainly attributed from customers in Peninsular Malaysia and Singapore. The higher demand of our products was due mainly to the lifting of movement control order and travel restrictions, where our sales personnel was able to travel to our customers' site to provide our services. However, the increase in revenue was cushioned by the decrease in our sales in East Malaysia market as we faced higher competition due to re-entrance of our competitors as a result of reopening of borders.

Gross Profit

For the FYE 2022, the Group recorded an increase in gross profit of RM7.53 million or 52.52% to RM21.88 million as compared to FYE 2021. The increase was due mainly to higher revenue recorded, coupled with an improvement in gross profit margin. The gross profit margin has improved from 5.40% in 2021 to 7.34% in 2022 as a result of higher average gold jewellery selling price.

PBT and PAT

For the FYE 2022, the Group recorded an increase in PBT and PAT of RM3.93 million and RM2.30 million respectively as compared to FYE 2021. Higher PBT was attributed by the improvement of gross profit during the financial year, and has subsequently contributed to a higher PAT of RM9.40 million recorded in FYE 2022.

The Group has also incurred higher expenses during FYE 2022, with majority of the expenses contributed by administrative expenses. The administrative expenses for FYE 2022 were RM6.69 million (FYE 2021: RM3.21 million), which comprised mainly of initial public offering ("IPO") related expenses, staff costs, rental of premises and insurances. Majority of the administrative expenses were from one-off IPO related expenses of RM2.50 million, which was incurred to facilitate the IPO exercise for the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") in FYE 2022.

REVIEW OF FINANCIAL POSITION
Group financial position:

	2022 RM'000	2021 RM'000	Changes %
Total assets	107,093	79,872	34.08
Total shareholders' equity	99,390	59,200	67.89
Net asset per share ⁽ⁱ⁾	0.27	0.23	17.39

Note:

- (i) Basic earnings per share and diluted earnings per share are calculated based on the profit attributable to owners of the Company divided by 372,150,000 ordinary shares in YXPM ("Share(s)") in issue as at 31 December 2022. There are no dilutive instruments at the end of the financial year.

Our Group recorded an improved total assets position of RM107.09 million as at 31 December 2022, resulting from our improved financial performance for FYE 2022 and funds raised from our IPO exercise. Thus, our Group registered net assets per share of RM0.27 as at 31 December 2022.

Group liquidity:

	2022 RM'000	2021 RM'000
Current assets	102,623	77,221
Current liabilities	6,930	20,219
Current ratio (times) ⁽ⁱ⁾	14.81	3.82

Note:

- (i) Current ratio is calculated based on current assets divided by current liabilities.

The Group's current ratio has improved from 3.82 times in FYE 2021 to 14.81 times in FYE 2022, as a result of the increase in current assets by RM25.40 million and decrease in current liabilities by RM13.29 million.

Increase in current assets was mainly arising from higher cash and bank balances and inventory of RM17.68 million and RM15.24 million respectively. Higher cash and bank balances was contributed mainly from positive cash flows generated from financing activities, resulting from proceeds generated from our IPO. The increase in inventory was due mainly to increase in our finished goods as a result of higher sales order amidst the festive season.

Decrease in current liabilities was due mainly to repayment of borrowings during the year. In FYE 2022, the Group has made a net repayment on bankers' acceptance and revolving credit of RM5.91 million and RM6.00 million, respectively.

Group capital structure:

	2022 RM'000	2021 RM'000
Total interest bearing borrowings ⁽ⁱ⁾	5,010	17,658
Total shareholders' equity	99,390	59,200
Gearing ratio (times) ⁽ⁱⁱ⁾	0.05	0.30

Notes:

- (i) Total interest bearing borrowings include revolving credit, bankers' acceptance, bank overdraft and lease liabilities owing to financial institutions for the purchase of motor vehicles.
- (ii) Gearing ratio is calculated based on total interest bearing borrowings (include lease liabilities owing to financial institutions) divided by total equity.

The Group's borrowings decreased approximately by 71.63% from RM17.66 million as at 31 December 2021 to RM5.01 million as at 31 December 2022 due mainly to the repayment of revolving credit and bankers' acceptance facilities during the year. With the reduction in borrowings, the Group's gearing ratio has improved to 0.05 times as at 31 December 2022 as compared to 0.30 times in the previous financial year.

The Group remains prudent in maintaining the capital structure in order to maintain a sustainable growth and to create long-term shareholder value.

Capital commitments:

In conjunction with our listing, the status of utilisation of proceeds as at 31 December 2022 which includes the purchase of certain capital expenditures is as follows:

Purposes	Proposed utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Deviation RM'000	Estimated time frame for use (from the Listing Date)
Purchase of new machinery and equipment for expansion of hollow gold jewellery range	4,400	-	4,400	-	Within 24 months
Expansion and upgrading of operational facilities	2,500	-	2,500	-	Within 24 months
Working capital -Purchase of raw materials	20,861	21,389	-	528 ⁽ⁱ⁾	Within 12 months
Estimated listing expenses	3,500	2,972	-	(528) ⁽ⁱ⁾	Within 3 months
Total	31,261	24,361	6,900	-	

Note:

- (i) Pursuant to Section 4.4.4 of the Company's Prospectus dated 30 May 2022, if the actual listing expenses are higher than budgeted, the deficit will be funded by internally generated funds. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital purposes.

As such, the excess of RM0.53 million was utilised for working capital purposes.

As at 31 December 2022, save for the capital commitments in respect of the purchase of property, plant and equipment as below, we do not have any other material capital commitments.

RM'000

Property, plant and equipment approved but not contracted for

5,623

DIVIDEND

It is our Boards' policy to recommend dividends to allow our shareholders to participate in the profits of our Group. Nonetheless, we do not have a formal dividend policy at the present.

However, in view of the favourable financial performance in FYE 2022, the Board is pleased to recommend the first and final single tier dividend of 0.80 sen per ordinary share for shareholders' approval at the forthcoming Annual General Meeting.

RISKS AND CHALLENGES

YXPM is cognisant of the inherent risks throughout its business operations, ranging from financial uncertainties and legal liabilities to technology issues and natural disasters. To ensure sustainability of its business operations, YXPM undertook to identify such risks, gauge its probability of occurring and size of impact, and prepare contingencies for such instances.

In line with Bursa Securities' regulatory framework on the disclosure requirements, we highlight below the key anticipated or known risks that our Group is exposed to that may have a material effect on our operations, performance, financial condition and liquidity. Our plans and strategies to mitigate these risks have also been disclosed below:

i. Our financial performance is subject to the fluctuations in global gold prices

As gold is a globally traded commodity, our financial performance is subject to the fluctuations in global gold prices. The price of gold is influenced by factors including, amongst others, global economic crisis or uncertainties, wars, civil unrests, pandemics, inflation, the strength of the United States Dollar, interest rates, demand from industries, investments in jewellery sectors, supply disruptions in gold producing nations, and sales and purchases of gold by government agencies including central banks.

To mitigate such risk, we have placed in various measures, such as maintaining healthy price spread on gold selling price and optimal inventory level, as well as tight monitoring on gold prices prior to gold material purchases.

ii We are dependent on gold materials and network of external manufacturers for our gold jewellery products

We are dependent on gold materials for our wholesale and manufacturing operations. We are also reliant on our network of external jewellery manufacturers for our externally sourced gold jewellery. In the event there is any delay and/or disruption in the supply of externally sourced gold jewellery from our external manufacturers, there is a risk that we would not be able to meet scheduled delivery expectations of our customers, which might also affect their satisfaction levels on our overall services.

In the event that we are unable to procure from our existing manufactures, we are able to source from alternate manufactures with the closest jewellery designs and similar price. Nevertheless, we had maintained long term business relationship with our network of external manufacturers to ensure stability in supplies.

iii We are dependent on the demand from the gold jewellery retailing industry

Our manufacturing and wholesales division derives its revenue mainly from resellers, such as retailers, wholesalers and manufacturers. As a result, the Group's revenue is sensitive towards the general retail market sentiment. According, we view the market condition as among the major risk faced by the Group as consumers tend to be more cautious and change their spending pattern in anticipation of any changes to the economic outlook.

In view of the risks, we have established a track record of long-term relationships with our customers and have obtained regular feedback on the change in consumer preference from our customers. Our ability to maintain long-term relationships with our customers is attributed to our capability to source and manufacture products that meet our customers' requirements.

iv Compliance with Regulatory Requirements

Our business is subject to various laws, rules and regulations. We have obtained all of the necessary licences and approvals from various government agencies for our business.

Due to the nature of our business, we have taken a strict approach to ensure that all our dealings with customers and suppliers comply with the provision of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act, 2001. The Group ensures that all new customers are subject to a due diligence check in accordance with the procedures laid down by Bank Negara before our business dealings with them.

The Company also has in a place an Anti-Corruption Programme that prohibits its associated persons from undertaking corrupt practices in compliance with Section 17A of the Malaysia Anti-Corruption Commission (Amendment) Act, 2018.

Nevertheless, we will keep abreast of the government policies, rules and regulations and take reasonable steps to ensure full compliance.

PROSPECTS

Our main objective going forward is to maintain a sustainable growth and to create long-term shareholders' value through the deployment of efficient resources and backed by prudent financial strategies.

The Group anticipates that business conditions will likely remain challenging, primarily influenced by geopolitical risks, the fluctuations of global gold prices, foreign exchange rate and local jewellery demands with uncertainties continuing to affect the global and local markets.

Notwithstanding the above, the Group will remain vigilant and will take necessary measures to meet new challenges ahead.

As part of our plans for the utilisation of the proceeds from the IPO, we will acquire additional machinery and equipment which will allow us to expand our product offering to include hollow rope chain, which allow the Group to target the affordable segment. We will also expand and upgrade our operational facilities through automation of manufacturing process, enhance product offering and integration of our manufacturing and wholesale operations.

With the successful implementation of these plans, the Group expects that the financial performance of the Group will remain satisfactory for the financial year ending 2023.

Introduction

YX Precious Metals Bhd (“YXPM” or “Company”) is built upon its corporate vision of emphasizing on the sustainability of its products, branding, customers and progressive organization. While we drive our business forward in becoming the best jewellery wholesale and manufacturing company, we never lose sight on what is fundamentally important to all our stakeholders. We consider sustainability as a vital part of our organisation and business model with regards to financial and non-financial value creation.

In pursuing a more enhanced reinforcement of the YXPM and its subsidiaries, namely Yi Xing Goldsmith Sdn Bhd, Gemas Precious Metals Industries Sdn Bhd, GPM Refinery Sdn Bhd and Emas Assayer Sdn Bhd (collectively known as “YXPM Group” or “Group”) sustainability agenda and goals, the Group is pleased to present its first inaugural Sustainability Statement (“Statement”) which details its key sustainability highlights and performance as YXPM strives to better showcase and improve how it addresses its material Environmental, Social and Governance (“ESG”) topics across its operations.

YXPM is committed to pursue a fulfilling sustainability journey and ultimately build a resilient and future-proof organisation that creates meaningful value for its stakeholders across the short, medium and long-term perspectives.

Reporting Frameworks Applied

This Statement was produced in accordance with the Sustainability Reporting Guide (2nd edition) (“SRG”) issued by the Bursa Malaysia Securities Berhad (“Bursa Securities”) and FTSE4Good Bursa Malaysia Index. In keeping with best practices for disclosure, additional facets of the United Nations Sustainability Development Goals (“UNSDGs”) have also been considered.

Scope

This Statement describes the Group’s sustainability activities covering the financial period from 1 January 2022 to 31 December 2022. This Statement primarily covers information on material sustainable development activities as well as the management of risks and opportunities that impact the economic, environmental and social aspects of YXPM’s businesses.

Sustainability Governance Structure

YXPM has always conducted its business activities ethically and in compliance with prevailing laws and regulations. The Group’s actions reflect accountability and social responsibility to drive sustainable development by creating value through the identifying, evaluating, monitoring and managing risks and opportunities across the ESG areas.

YXPM views sustainability governance as part of business management by monitoring and managing sustainability matters together with our daily operations. The Board adopts a sustainable governance approach that fits for the Group’s purposes considering, amongst others, its culture, needs, sustainability-related risks and opportunities and level of maturity of its sustainability intellect and readiness. The governance structure enables the Board and the Management to monitor critical material sustainability topics and their progress, as well as the associated risks and opportunities.

As part of our commitment towards sustainability, we have established a clear governance structure to ensure utmost compliance and optimal performance across our business operations. The sustainability governance structure of the Group is established in the following manner:



Our sustainability directives stem from the head of our organisation, with the Board of Directors setting the direction and governs our Group's sustainability agenda and strategy, whereby sustainable business practices are imputed throughout all levels of its organisation.

To achieve this, the Board has empowered the Managing Director, is responsible to monitor the implementation of sustainability-related strategies and to undertake actions toward achieving the Group's sustainability goals as approved by the Board.

The Managing Director is assisted by the Sustainability Working Group, which comprises the following members:

- i. Samuel Sia Hsiao Guong (Group Financial Controller);
- ii. Ong Hui Eng (Head of Resource Planning); and
- iii. Zack Yeoh (Factory Manager).

The Sustainability Working Group is responsible for identifying, evaluating, monitoring and managing the potential sustainability risks and opportunities as well as ensures all material sustainability matters are being considered and managed by the Group through its sustainability initiatives, including stakeholder engagement and materiality assessment.

Stakeholder Engagement

The Board recognises and admits that the contribution and support of the internal and external stakeholders are of utmost importance for realising the Group's missions and long-term business sustainability. With the objective of identifying and prioritising material sustainability matters, the Group's engagement with different groups of stakeholders is crucial. Engagements are carried out regularly with various groups of stakeholders as they are integral to the development and commitment of the Group towards sustainability.

The Group has engaged with the internal and external stakeholders in both formal and informal manners at the required interval. The table below sets forth the different segments of the stakeholder engagements as well as the area of interest identified and appropriate responses to address the interest arising:

Stakeholder	Matters of Concern	Engagement approaches
Employees	<ul style="list-style-type: none"> • Career development and growth prospects • Discrimination • Remuneration commensurate with job responsibilities • Training opportunities and job security • Occupational safety and health • Employee welfare 	<ul style="list-style-type: none"> • Internal and external training • Code of conduct and human resource policies • Staff welfare • Corporate activities and events • Performance management system • Whistleblowing channel

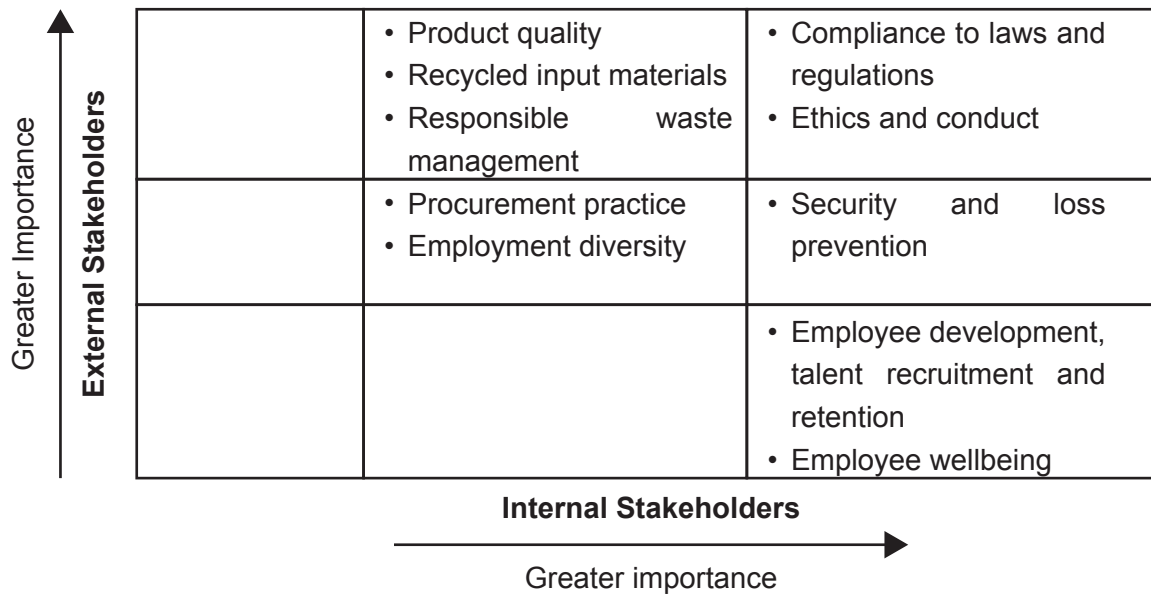
Stakeholder	Matters of Concern	Engagement approaches
Government & Regulators	<ul style="list-style-type: none"> • Compliance with laws and regulations • Accuracy, transparency and disclosure 	<ul style="list-style-type: none"> • Corporate website • Policies in place to comply with relevant government laws and regulations • Permits and Licenses
Customers	<ul style="list-style-type: none"> • Product quality • Customers' satisfaction • Long term business relationship • Timely delivery 	<ul style="list-style-type: none"> • Quality management system • Customers engagement
Shareholders & Investors	<ul style="list-style-type: none"> • Long term sustainable growth • Diversification • Risk management • Group governance • Financial returns 	<ul style="list-style-type: none"> • Corporate website • Annual general meetings • Quarterly reporting • Annual report • Analyst meetups
Suppliers, Bankers & Business partners	<ul style="list-style-type: none"> • Procurement process • Business sustainability • Prompt payment 	<ul style="list-style-type: none"> • Constant and regular engagement
Community	<ul style="list-style-type: none"> • Job creation for local communities • Provide help to the needy 	<ul style="list-style-type: none"> • Corporate social responsibility events • Job opportunity
Analyst / Media	<ul style="list-style-type: none"> • Share price performance • Financial / operational performance • Business expansion plan • Corporate governance 	<ul style="list-style-type: none"> • Quarterly financial results • Annual report • Bursa announcement

Feedback

In line with YXPM's continuous effort to improve its performance in sustainability standards, the Group welcomes stakeholders' feedback on any issues. Any comments and/or enquiries related to this Sustainability Statement can be directed to our Group Financial Controller, Mr. Samuel Sia Hsiao Guong at samuelsia@yxgroup.com.my.

Materiality Assessment

We assessed the significance of each of the sustainability matters identified on its level of impact and influence to the Group, based on internal rating criteria and methodology. The result of the assessment is shown in the matrix below.



Sustainability Strategies/ Activities

Sustainability strategies/ activities proposed by our group to address material sustainability matters are as follows:

Material Matters		Sustainability Strategies/ Activities
<u>Governance</u>		
1	Compliance to laws and regulations	Risk management, management and oversight
2	Ethics and conduct	Comply with Code of Ethics and Conduct, Anti-Bribery and Corruption Policy, Anti-Money Laundering Policy, Whistleblowing Policy and Fit and Proper Policy
<u>Environment</u>		
3	Recycled input materials	Supports recycled scrap precious metals as source for production
4	Responsible waste management	Establishment of a solid waste management system
<u>Economic</u>		
5	Product quality	Maintain product quality in accordance with ISO 9001:2015
6	Security and loss prevention	Installation of CCTV system and subscription for insurance
7	Procurement practice	Support local suppliers by purchasing materials and engaging services locally
<u>Social</u>		
8	Employment diversity	Supports equal opportunity and anti-discrimination
9	Employee development, talent recruitment and retention	Employee engagement and employee training
10	Employee wellbeing	Employees remuneration and benefits

Governance

Compliance to laws and regulations

YXPM strives to abide by all laws and regulations applicable to its business. The Group has established a Risk Management Framework to identify, assess and address risk including risk of incompliance with laws and regulations. In addition, the Board assumes the responsibility in maintaining a sound system of risk management and internal control throughout the Group.

The Group has also put in place internal control system and Standard Operating Policies and Procedures as a guidance for all employees regarding their responsibilities and obligations that is necessary to be fulfilled by complying to all applicable laws and regulations.

The Group is pleased to share that there was no material breach of laws and regulations in Financial Year Ended 31 December (“FYE”) 2022.

Ethics and conduct

To promote responsible business practices, a Code of Conduct has been adopted by the Group as a guidance for the Directors and employees on business conducts and maintaining a healthy corporate culture.

The Group has also set in place the Anti-Bribery and Corruption Policy, which prohibits corrupt practices especially in the area of engaging in kick-back payments relating to sales and purchases, thus ensuring that we conduct our business in a professional and ethical manner. This benefits our Group in building of trust with our customers and suppliers as everyone in the supply chain will be able to obtain fair deal without worrying of being short-changed.

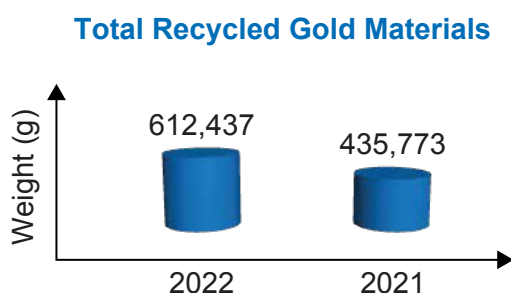
A whistleblowing policy has also been developed and adopted by the Group to encourage individuals to be confident in raising their concerns without fear of reprisal, discrimination or adverse consequences.

The Group is pleased to share that in FYE 2022, none of our Directors or employees were involved in any bribery, corruption practices or unethical behaviour.

Environmental

Recycled input materials

YXPM has been practicing the principles of the circular economy well before it became a popular ideal. The circular economy is all about creating closed loops where both waste and new inputs are minimised and existing items/ materials are re-purposed, repaired and re-cycled.



We carry out refining process to recycle scrap gold bars, used gold jewellery as well as gold waste created from our manufacturing process. During the FYE 2022, YXPM Group has refined 612,437 g (2021: 435,733g) of gold materials as part of our recycling initiative. The refined gold can either be used as input materials in our production process or sell to our customers upon demand.

In FYE 2022, our Group has started our own refinery business through GPM Refinery Sdn Bhd, which provides refinery services to the gold industry in Malaysia. With our in-house refining capabilities, we hope to promote greater recycling awareness and initiative in the Malaysian gold industry.

Responsible waste management

YXPM's strong ESG commitment towards safeguarding the environment also involves a solid waste management system which ensures the Group propagates a responsible and strategic waste production, management and disposal.

Given the large range of materials that the Group deals with in its manufacturing processes, the Group ensures the waste generated is disposed across its operations responsibly. Pollution control systems were installed in our manufacturing facilities to be in compliance with the Environmental Quality Act, 1974. The Group has obtained the following certificates from the Department of Environment of the Federal Territory of Kuala Lumpur:

- i Certificate of Written Permission under Regulation 4 of the Environmental Quality (Sewage and Industrial Effluents) Regulations, 1979
- ii Certificate of Written Permission – Controls and Chimneys under the Environmental Quality (Clean Air) Regulations, 1978

In addition, YXPM has appointed a licenced waste disposal contractor, which holds the license to schedule wastes listed under Environmental Quality (Scheduled Wastes) Regulations 2005 on its schedule wastes. The total scheduled wastes generated by the Group during FYE 2022 is 1,630 kg (2021: 1,052 kg)

During the FYE 2022, no material non-compliance was identified or highlighted by the relevant authorities in relation to waste management and disposal.

Economic

Product quality

As part of the Group's continuous effort and commitment to quality, the Group is accredited with ISO 9001:2015 in the Quality Management System for its design, manufacture and sales of gold jewellery. This accreditation which has been awarded to the Group since the year 2007 speaks of the Group's commitment to continuously improving its overall performance and provide a sound basis for sustainable development initiatives.

Through the implementation of the International Standard, we are able to offer our customers the following benefits:-

- a) the ability to consistently provide products and services that meet customers' and relevant regulatory requirements;
- b) facilitating opportunities to enhance customers' satisfaction;
- c) addressing risk and opportunities associated with its context and objectives; and
- d) the ability to demonstrate conformity to specified quality management system requirements.

As part of our initiative to maintain top quality of products, we performed assay on our material purchased and products manufactured. In FYE 2022, we have performed assay on 3,836 samples (FYE 2021: 3,399 samples) to ensure that we achieve the quality intended for our products.

Security and loss prevention

Due to the nature of our business, YXPM is susceptible to the risk of pilferage, theft and robbery that could result in monetary losses and personal injury or death. For the FYE 2022, the Group did not experience any incidences of theft and robbery by external parties, nor did the Group encounter any pilferage by internal staff which will have a material adverse effect on the financial performance.

In preventing losses arising from pilferage, theft and robbery, YXPM has implemented various preventive and detective measures in the Group's manufacturing facilities and wholesale sales office. Among measures implemented by the Group are as follows:

- i Double layer security doors;
- ii Installation of 24-hour CCTVs to record and monitor all activities on the premises;
- iii Restricted access of visitors or employees in certain areas of the manufacturing facilities and wholesale sales office;
- iv Strong room and safe has been installed in the premise to safeguard our inventories; and
- v Periodic stock count and strict weight control.

In addition, the Group has subscribed to jeweller's block insurance policy to cover the Group's bank notes, stocks and merchandise against physical losses or damage as prescribed in the insurance policy. We have also maintained various insurance policies covering risk against fire, flood, theft and damage to property, plant and machinery. The total sum insured during FYE 2022 are RM71.3 million (FYE 2021: RM58.7 million)

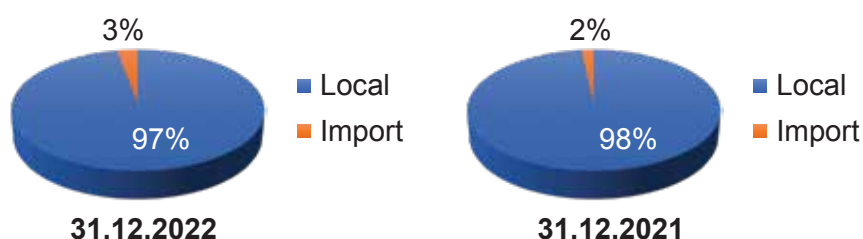
Further, we have placed great emphasis on the security of the data we collected especially from our customers. The management has put in place a Personal Data Protection Policy, which was drafted in accordance with the requirements of Personal Data Protection Act, 2010 in Malaysia. All our employees are required to comply with the policy when accessing the personal data collected. During FYE 2022, no complaints received (2021: no complaints) by us concerning breaches of customer privacy and losses of customer data.

Procurement practice

YXPM has a clear and transparent procurement policy that ensures business is conducted in an ethical, legal and socially responsible way. The Group believes that a strong local supply chain is vital to the long-term development of business and creates sustainable economic value for the nation as a whole. In cases where there is no alternative but to source internationally, the Group selects partners with high standards in areas such as ethical behaviour, environmental stewardship and workplace practices.

Total purchases made by the Group are as follows:

Local and Foreign Purchases

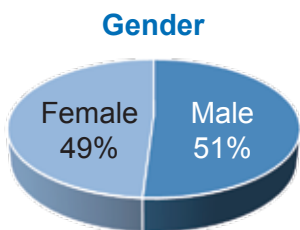


Social

Employment diversity

The Group acknowledges that our employees are a vital asset to the Group. Through our Employee Handbook and Human Resource Policy, YXPM provides a working environment which is free from any form of harassment or discrimination and bullying on the ground of race, gender, religion, age or any form of discrimination and bullying that are not tolerated.

At the same time we respect the diversity of our employees, work to maximise the performance of each individual and actively strive to create an environment where our employees can come together and work toward common goals. The Group does not engage in any illegal, forced or child labour. We operate in accordance with local employment labour laws and regulations.



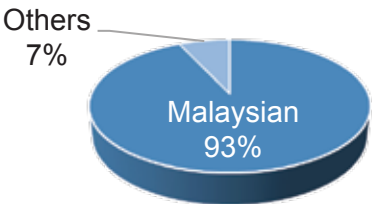
For gender equality in the workplace, 51% of the workforce as of 31 December 2022 are made up of men and the remaining 49% are women.

Gender	Number of Employee	Ratio
Male	51	51%
Female	49	49%
Total	100	100%

We have a majority of the employees from local. Total foreign employees constitute to only 7% of our total workforce.

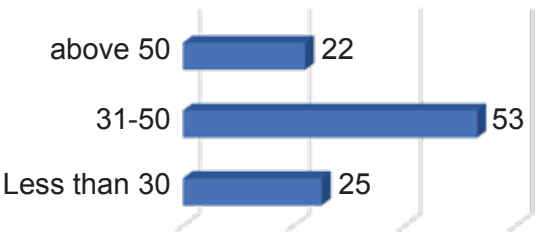
In line with the spirit of shared prosperity, we open various career opportunities to the local communities. Nevertheless, the Group believes in fair employment practices whereby all employees are treated fairly without any sort of discrimination and harassment.

Employee Origin



The primary age group of the employees are between the age of 31 to 50 years old, which comprise 53 employees or 53% of the total employees of the Group.

Age Group



Employee development, talent recruitment and retention

The Group believes that its employees are its greatest assets and are critical to the overall success of the Group. We provide relevant trainings and opportunities to equip and prepare staff in enhancing their skills and capabilities through on the job training and participating in external training. Each training is followed by an assessment to ensure that staffs have properly mastered the skillset.

In addition, our Group also participates in several training programmes conducted by external training organiser. We believe that through training and development, it will help to nurture and promote individual success and sustainably, which in turns increases the overall value to the organisation.

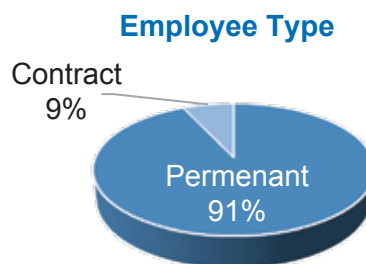
During the financial year, the Group's employees has been selected to undergo various training modules to further improve and strengthen their skills. Among the modules covered by our training programme includes products, production technic, leadership as well as self-development.

The Group has implemented a mentorship system whereby senior staffs are required to provide guidance for junior staffs in their daily responsibilities. Such system will not solely help junior staffs to understand their respective roles better but also develops a stronger bonding and working relationship among the staffs.

Employee wellbeing

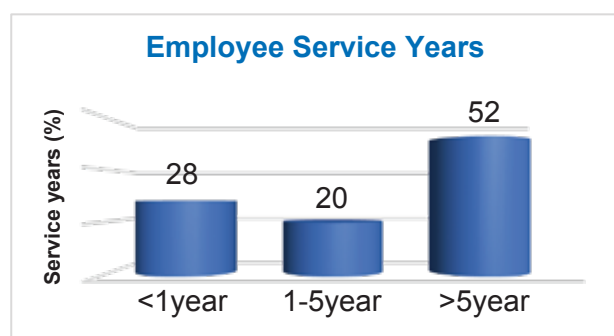
The Group strives to be fair in the treatment of our employees with regards to the terms and conditions of their employment.

As of 31 December 2022, our workforce comprised 91% of permanent staff.



We have implemented an Employee Handbook to observe and comply with all required workforce rules and regulations in the Group's operations, including reasonable working hours, fair overtime compensation, public holidays and annual leave for our employees. There was no differential treatment between contract staff and permanent staffs.

Engagement between employees is practiced at all levels of the business hierarchy and cultivated on a regular basis. When employees are engaged at work they tend to feel well connected to the Group. In order to foster closer engagement between the Group and employees, the Group has organised several activities during the year including annual lunch and training sessions.



Through these initiatives, we managed to foster a culture of inclusiveness which is also the key in reducing turnover rates and boosting employee retention.

Employee enthusiasm with the Group remains encouraging with 52% of our employees serving for more than 5 years.

For an employee who requires to travel outstation, the Group provides accommodation to ensure that he/she has a comfortable living condition away from home without much worries.

Conclusion

The above activities and initiatives continue to demonstrate YXPM Group's commitment to sustainability and the betterment of the economy, environment and social aspects of the community in which the Group operates. The journey towards attaining sustainable growth and long-term profitability is continuous, and the principles of sustainability have been ingrained into the Group's culture, value system and way of doing business.

The Board of Directors of YX Precious Metals Berhad (“YXPM” or “Company”) (“Board”) recognises the importance in applying the Principles and Practices stipulated in the Malaysian Code on Corporate Governance 2021 (“MCCG”) issued by the Securities Commission Malaysia throughout the Company and its subsidiaries (“YXPM Group” or “Group”). The Board is committed to ensure that good corporate governance is being observe, practice and improve throughout the Group as that are central to the effective operation of the Group and to ensure the highest standards of accountability and transparency.

This statement is prepared in compliance with Rule 15.25(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and it is to be read together with the Corporate Governance Report 2022 of the Company (“CG Report”) which is available on the Group’s website at <https://yxgroup.com.my/annual-reports/>.

The Board is pleased to set out below an overview of the application of the three main principles in the MCCG by the Group during the financial year ended 31 December (“FYE”) 2022, which are as follows:

Principle A: Board Leadership and Effectiveness;

Principle B: Effective Audit and Risk Management; and

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

i. Board responsibilities

During FYE 2022, the Board took full responsibility and retain full and effective control over the affairs of the Group. The Board’s primary focus and responsibilities include the followings:

- a. Reviewing and approving the strategic business plan of the Group;
- b. Monitoring corporate performance and the conduct of the Group’s business and ensuring compliance to best practices and principles of corporate governance through the Audit and Risk Management Committee (“ARMC”);
- c. Identifying and implementing appropriate systems to manage principal risks through the ARMC;
- d. Ensuring succession planning for top management;
- e. Ensuring a transparent Board nomination and remuneration process;
- f. Reviewing the effectiveness of the Group’s system of risk management as well as the adequacy and integrity of the Group’s internal control system and management information system for compliance with applicable standards and laws and regulations;
- g. Ensuring that the Group has in place procedures to enable effective communication with stakeholders;
- h. Developing an ethical standard for the Group through code of conduct and ensure its compliance;
- i. Setting the Group’s sustainability strategies, priorities and targets;
- j. Ensuring that all directors are able to understand financial statements and form a view on the information presented; and
- k. Ensuring the integrity of the Group’s financial and non-financial reporting.

The presences of Independent Non-Executive Directors are necessary to further strengthen the Board by providing unbiased and independent views, advices and judgements. Their contribution to the formulation of policies and decision making through their expertise and experience is vital as It involves taking into account of the Group’s shareholders and other stakeholders’ interests.

Group's policies

The Board encourages employees across the Group to adhere and to maintain the highest standard of ethical behaviour, hence the Group has adopted the following policies as a mechanism to minimise any risks that may occur.

a. Board Charter

The Board's functions are laid out in a Board Charter which is made public through the Group's website at <https://yxgroup.com.my/board-charter/> to guide the Board in discharging its duties and responsibilities effectively. The Board Charter is reviewed periodically and amended when necessary to reflect the changes on conduct of the Board.

The Board strongly advocates board diversity as a truly diverse Board and Senior Management will include and make good use of differences in the skills, regional and industry experience, background and other qualities of Directors. In this respect, the Group has developed a Board and Senior Management Diversity Policy, which is included as part of our Board Charter. The policy is centered on the following initiatives:

- i. Identifying and creating the right balance of skills, industry experience, age, cultural background and gender diversity of Directors and Senior Management;
- ii. Retaining Directors and Senior Management based on performance and merit, in the context of skills, time commitment and experience, in order for the Group to be more effective; and
- iii. The Board's Nomination Committee to review and assess the Board composition and mix, and make recommendations on the nomination and appointment of new Directors.

The details of the Board and Senior Management Diversity Policy are being disclosed at the Company's website at <https://yxgroup.com.my/board-charter/>.

b. Code of Conduct

The Board has developed an ethical values and standards for the Group through a Code of Conduct and ensures its compliance. This includes a strategic mission and vision statement as well as core values to guide the Directors and employees of the Group in discharging their respective roles and responsibilities. The Board reviews the Code of Conduct regularly to ensure that new requirements and suggestion of best practices are being updated and incorporated into the code. The Code of Conduct is made public through the Group's website at <https://yxgroup.com.my/code-of-conduct/>.

c. Whistleblowing Policy and Procedures

The Group has adopted the Whistleblowing Policy to provide an avenue for the employees of the Group and members of the public to raise genuine concerns of any wrongdoing or improper conduct involving any Directors or employees of the Group without fear of reprisal. The Whistleblowing Policy is available through the Group's website at <https://yxgroup.com.my/whistleblowing-policy/>.

d. Anti-Bribery and Anti-Corruption Policy

The Group is committed to conduct business in an ethical and honest manner while upholding zero-tolerance position on bribery and corruption and hence has adopted an Anti-Bribery and Anti-Corruption Policy. The Anti-Bribery and Anti-Corruption Policy is available on the Group's website at <https://yxgroup.com.my/anti-bribery-and-anti-corruption-policies/>.

e. Governing Sustainability

The Board has taken steps to integrate sustainability issues as core of its strategic formulation. The Board is supported by the Key Senior Managements, which enables the Board to assess and ensure that sustainability governance is structured and functioning through the various level of management.

The Board has acknowledged the Group's adoption in materiality assessment process, which is guided by Bursa Securities' Sustainability Reporting Guide and Toolkits, and has ensured the stakeholder communication methods are regularly assessed, through information requests, as it is to ensure transparency and effectiveness in the communication.

The Group's Risk Management Framework sets out the approach of identification, analysing, responding, monitoring, and reporting of risks. The performance against the risk tolerance limits will be regularly reviewed by the Board. ARMC has brief the Board on the risks highlighted and ensured that the Key Senior Management is aware with the actions that should be taken while mitigating the risks, in order to maintain the risk exposures within an acceptable range as approved by the Board.

f. Directors' Fit and Proper Policy

Following the amendments to the Listing Requirements, the Board adopted a Directors' Fit and Proper Policy to ensure that Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Group and its stakeholders. The Directors' Fit and Proper Policy is available on the Group's website at <https://yxgroup.com.my/fit-and-proper-policy/>.

Board meetings

The Board is scheduled to meet at least four (4) times a year at quarterly intervals with additional meetings to be convened as and when required. Prior to each meeting, every Director is given the complete agenda and a set of Board Papers for each agenda in advance, so that the Directors are given ample of time to review on matters that will be deliberated at the meeting in order to facilitate informed decision making by the Directors.

During the FYE 2022, 5 Board Meetings were held and the details of attendance are as follows:

Executive Director	Attendance	Percentage
Ng Sheau Chyn	5/5	100%
Non-Executive Directors		
Tan Sri Azlan Bin Mohd Zainol (Demised on 12 January 2023)	5/5	100%
Puan Sri Nonadiah Binti Abdullah (Appointed on 28 February 2023)	N/A*	N/A*
Datuk Ng Yih Pyng	5/5	100%
Tang Yow Sai	5/5	100%
Aw Ee Leng	5/5	100%
Wong Phait Lee (Appointed on 1 March 2022)	4/4	100%

* Puan Sri Nonadiah Binti Abdullah was only appointed to the Board on 28 February 2023. Therefore, she has not attended any of the Board Meetings conducted in FYE 2022.

In addition, regular meetings were conducted by the Executive Director and Key Senior Management to discuss on corporate strategy, the business operations and the results of the business units within the Group.

The Chairman of the Board

Prior to 12 January 2023, the Board was led by the late Tan Sri Azlan Bin Mohd Zainol, being our former Independent Non-Executive Chairman. After the demise of the late Tan Sri Azlan Bin Mohd Zainol, the Board had on 28 February 2023, appointed Puan Sri Nonadiah Binti Abdullah as the Non-Independent Non-Executive Chairman to lead the Board. The Non-Independent Non-Executive Chairman is responsible for the Board's effectiveness and conduct by implementing the Group's policies, business plans and executive decision making.

Further, the Non-Independent Non-Executive Chairman is responsible to promote an open environment for debate and ensure effective contributions from Non-Executive Directors. The Non-Independent Non-Executive Chairman also exercises control over the quality, quantity and timeliness of information flow between the Board and Management. Together with the other Board members, the Non-Independent Non-Executive Chairman will lead the discussion on the strategies and policies recommended by the Management.

At a general meeting, the Non-Independent Non-Executive Chairman plays a vital role in fostering constructive dialogue between shareholders, the Board and the Key Senior Management.

In line with the recommendation of the MCGG, the Non-Independent Non-Executive Chairman is not a member of any of the Board Committees. This is to ensure check and balance as well as promotes accountability and facilitates the division of responsibilities between them.

Separation of Roles of Chairman and Managing Director

In order to foster a strong governance culture in the Group and to ensure a balance of power and authority, our Chairman and Managing Director (whom has similar duties of a Chief Executive Officer) are strictly helmed by different individuals. Puan Sri Nonadiah Binti Abdullah is our Non-Independent Non-Executive Chairman while Ms. Ng Sheau Chyn is our Managing Director.

The Company practices a division of responsibilities between the Non-Independent Non-Executive Chairman and the Managing Director in order to maintain effective supervision and accountability of the Board and Executive Management. The Non-Independent Non-Executive Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, and to facilitate meaningful deliberation of the Board agenda. In line with the recommendation of the MCCG, the Non-Independent Non-Executive Chairman does not sit in any of the Board Committees established by the Board.

The Managing Director, serves as the head of the Management team is responsible for the implementation of business direction and strategy and day to as well as management of the Group.

Qualified and Competent Company Secretary

The Company Secretary of YXPM, have the requisite credentials and are competent and suitably qualified to act as company secretary under Section 235(2) of the Companies Act 2016 ("Act"). The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of their functions.

The Company Secretary is responsible for providing support and guidance in advising the Board of all secretarial matters of the Company, in particular the compliance of the Listing Requirements, advising the Board and Board Committees on the respective roles and responsibilities, as well as informing and keeping the Board updated on the latest developments on the enhancements in corporate governance, changes in the legal regulatory framework, new statutory requirements and best practices. Further, the Company Secretary is also responsible for the logistics issue in relation to the Board and Board Committees meetings, recording the proceeding of all Board and Board Committees meetings and proper maintenance of statutory records.

The Company Secretary constantly keep herself abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through continuous training.

Board Committees

In order to ensure effectiveness of the Board, the Board has delegated certain of its responsibilities to the Board Committees which operates within clearly defined terms of reference to carry out these responsibilities in a supporting role to the Board.

These Board Committees comprises members of the Board who are empowered to deliberate and examine issues delegated to them and report back to the Board with their recommendations and comments.

The terms of reference of the all the Board Committees are being disclosed in Appendix D to Appendix F of the Board Charter, which is available at the Company's website at <https://yxgroup.com.my/board-charter/>.

The Board is assisted by three (3) Board Committees as follows:

1. ARMC;
2. Nomination Committee; and
3. Remuneration Committee.

The report of the ARMC and the Nomination Committee are presented in the Audit and Risk Committee Report as well as Nomination Committee Statement sections of this Annual Report.

Remuneration Committee

The Remuneration Committee ("RC") comprises three (3) members, made up of Independent Non-Executive Directors as follows:

Name	Designation	Directorship
Tang Yow Sai	Chairman	Independent Non-Executive Director
Aw Ee Leng	Member	Independent Non-Executive Director
Wong Phait Lee (Appointed on 1 March 2022)	Member	Independent Non-Executive Director
Datuk Ng Yih Pyng (Resigned on 1 March 2022)	Member	Non-Independent Non-Executive Director

The Board has set up a RC comprises exclusively of Independent Non-Executive Directors in order to assist the Board to determine the remuneration package of Directors and Key Senior Management.

The RC has a written term of reference serve as a guidance for the committee in discharging of its duties and responsibilities which includes:-

- Ensuring a transparent and formal procedure is established in the development and assessment of the level of compensation that would be sufficient to attract and retain good calibre Directors and Key Senior Management;
- Reviewing the composition of the various types of components of remuneration package such as fees, allowances, basic salaries, bonuses and other benefits-in-kind for Directors and Key Senior Management; and
- Ensuring that the components of the remuneration package of Directors and Key Senior Management are linked to their performance, responsibility levels and are comparable with market norm.

The Terms of Reference of the RC is made available to public at the Company's website at <https://yxgroup.com.my/board-charter/>.

Supply of information

The Board has full and unrestricted access to information concerning the Group from the Key Senior Management and the External Auditors to enable them to discharge their duties effectively. The Board may also seek advice from external independent professionals (if required) at the Group's expense.

All information on meetings is disseminated to the Board at least five (5) business days before the date of meeting to enable the Board to make an informed decision. Relevant personnel of the Group could be invited to the Board meeting to further brief the Board as and when required.

The Board has direct access to the advice and services of a qualified Company Secretary who is responsible to advise the Board on matter concerning necessary compliance and governance. The Company Secretary also ensures that all Board procedures are followed and that applicable laws and regulations are complied with. The appointment and removal of the Company Secretary lies within the power of the Board.

Directors' training

During the FYE 2022, the Directors had attended the following training:

Name of Directors	Date of Training	Training Programmes	Organiser
Tan Sri Azlan Bin Mohd Zainol*	4 April 2022	Economic Impact on Malaysia from Rising Geopolitical Risks	Mr Alan Tan
Ng Sheau Chyn	4 April 2022	Economic Impact on Malaysia from Rising Geopolitical Risks	Mr Alan Tan
Tang Yow Sai	4 April 2022	Economic Impact on Malaysia from Rising Geopolitical Risks	Mr Alan Tan
	17 November 2022	Security Commission Malaysia's Audit Oversight Board Conversation with audit Committees	Audit Oversight Board
Aw Ee Leng	4 April 2022	Economic Impact on Malaysia from Rising Geopolitical Risks	Mr Alan Tan
	17 November 2022	Security Commission Malaysia's Audit Oversight Board Conversation with audit Committees	Audit Oversight Board
Wong Phait Lee	4 April 2022	Economic Impact on Malaysia from Rising Geopolitical Risks	Mr Alan Tan
	23-25 May 2022	Mandatory Programme Accreditation	Institute of Corporate Directors Malaysia
Datuk Ng Yih Pyng	4 April 2022	Economic Impact on Malaysia from Rising Geopolitical Risks	Mr Alan Tan

Note:

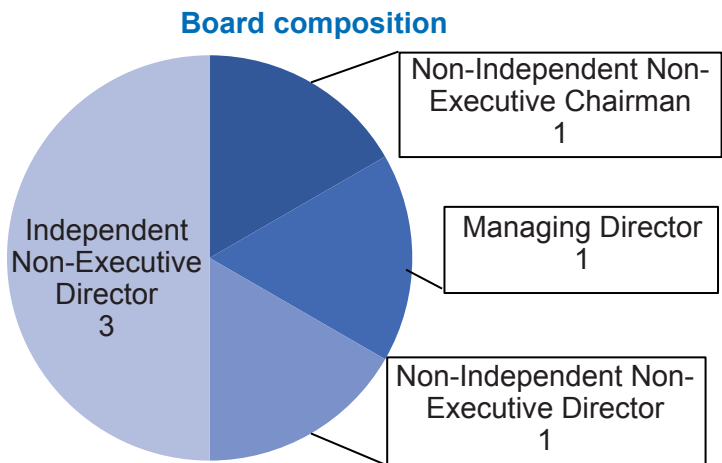
* Demised on 12 January 2023

ii. Board Composition

Board composition and diversity

The Company continues to be led and managed by an effective Board where the present members of the Board are drawn from a wide range of discipline and background, providing an in-depth and diversified experience to the Group's operation.

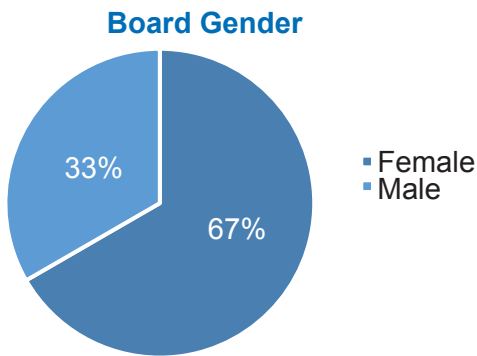
The Board currently comprised six (6) directors as follows:



In this respect, the Board complies with the recommendation of the MCCG of which at least 50% of the Board comprises Independent Directors.

In addition, our current Board composition also complies with the requirements set out in Rule 15.02(1) of the Listing Requirements, where at least two (2) directors or one third (1/3) of the Board , whichever is the higher are independent directors and at least one (1) director is woman.

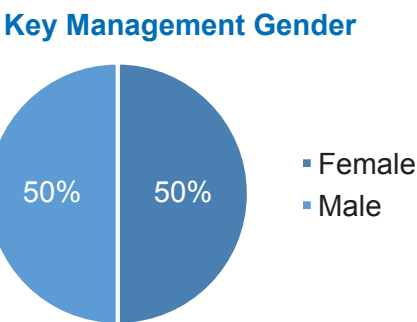
In the event of any vacancy in the Board resulting in non-compliance with the Listing Requirements, the Board is committed to fill the vacancy within three (3) months from the date of that event.



The Board currently comprises four (4) women Directors, representing approximately 67% of total numbers of the Board. The female Directors provide the Board with gender diversity that serves to bring value to the Board discussions from different perspectives and approaches as well as different leadership styles.

In line with the MCCG of at least 30% representation of women on Boards, the Board will continue to evaluate and consider the appointment of women director onto the Board in future (if required) to bring more diverse perspective.

The Group is practicing equal opportunity and no discrimination of any form, whether based on age, gender, race and religion, throughout the organisation. The Board and Management also believe the participation of women in decision-making positions should not be focused on board positions alone but should be broadened to include members of Senior Management as the same benefits apply.



The Group Key Senior Management currently comprises two (2) women and two (2) men employees and is well diversified.

Board Independence

All Independent Non-Executive Directors are free from any material business dealings and other relationship with the Group and therefore play a crucial role in corporate accountability with their independent, unbiased views, advice and judgement in the decision-making process.

The profiles of the members of the Board are set out in the Board of Director's Profile section of the Annual Report.

Details of the assessment on Board independence, re-election and re-appointment are provided in the Nomination Committee Statement of this Annual Report.

Tenure of Independent Directors

As at the date of this Statement, none of the Independent Directors has reached 9 years of service since their appointment as Directors.

In line with Practice 5.3 of the MCGG, the Board has put in place the policy where the tenure of an Independent Director does not exceed a term limit of nine (9) years. Upon completion of the nine (9) years, the Independent Director may continue to serve on the Board as a Non-Independent Director. In the event the Board intends to retain such Director as Independent Director after the latter has served a cumulative term of nine (9) years, the Board will provide Justification on the decision and will seek annual shareholders' approval through a two-tier voting process. Under the two-tier voting process, shareholders' votes will be cast in the following manner at the same shareholders' meeting:

- (a) Tier 1: Only the Large Shareholder(s) of the company votes; and
- (b) Tier 2: Shareholders other than Large Shareholders votes.

iii Directors' remuneration

The Group has in place an annual appraisal system for the Directors and Key Senior Management and the remuneration is tailored according to the evaluations aiming towards attracting and retaining Directors and Key Senior Management with relevant experience and expertise needed to assist in managing the Group effectively. The Group currently do not have a Remuneration Policy and is in the process of looking into a detailed study to develop a Remuneration Policy.

The Remuneration Committee carries out the annual review of the overall remuneration packages of the Executive and Non-Executive Directors as well as the Key Senior Management for the Board's approval. The Directors' fees and benefits are recommended by the Board as a whole and are subject to the shareholders' approval at the forthcoming Annual General Meeting ("AGM").

The details of the Directors' remuneration paid/payable to all Directors of the Company for the FYE 2022 are set out as follows:-

Category	Directors' fees and meeting allowances RM'000	Salaries and other remuneration RM'000	Benefits-in-kind RM'000	Total RM'000
Executive Director				
Ng Sheau Chyn	-	449	24	473
Non-Executive Directors				
Tan Sri Azlan Bin Mohd Zainol (Demised on 12 January 2023)	63	-	-	63
Puan Sri Nonadiah Binti Abdullah (Appointed on 28 February 2023)	-	-	-	-
Tang Yow Sai	51	-	-	51
Aw Ee Leng	39	-	-	39
Wong Phait Lee (Appointed on 1 March 2022)	32	-	-	32
Datuk Ng Yih Pyng	-	-	-	-

The Directors' fees payable is subject to the approval of the shareholders at the forthcoming AGM of the Company.

The MCCG recommends the Board to disclose on a named basis of the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000. However, in view of the competitive search for talent within the industry, as well as other confidentiality and sensitive considerations, the Board is of the view that it would not be in the best interest of the Company to make such disclosure on named basis. As an alternative, the remuneration of the Key Senior Management in bands of RM50,000 on an unnamed basis, are as follows:-

Range of remuneration (RM)	Number of employees
50,000-100,000	2
100,001-150,000	1
250,001-300,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

i. Financial Reporting

The Directors are required by the Act to prepare the financial statements for each financial year in accordance with the applicable approved accounting standards in Malaysia. The Directors' responsibility in relation to the financial statements is further disclosed in the Director's Responsibility Statement section of this Annual Report.

ii. Audit and Risk Management Committee and External Auditors

The ARMC, which comprises three (3) Independent Non-Executive Directors, is tasked to assist the Board in overseeing the Group's corporate accounting, financial reporting practices, system of risk management and internal control, the audit process and the process of monitoring compliance with laws and regulations. Notably, the Chairman of the ARMC and the Chairman of the Board are helmed by different individuals.

The ARMC discusses the nature of audit and reporting obligations with the External Auditors before commencement of audit engagement. A transparent and appropriate relationship with the External Auditors has been established through the ARMC. The External Auditors are invited at least two (2) times a year, for discussion of their audit plan to ensure an effective co-ordination of audit. The ARMC is responsible to discuss issues and matters arising from the interim and final external audits, and any matters the External Auditors may wish to discuss in the absence of the Management.

In assessing the suitability, objectivity and independence of the External Auditors, the criteria on the appointment and re-appointment of the External Auditors should include an assessment of the competence, audit quality and resource capacity of the External Auditors in relation to the audit, in order to safeguard the quality and reliability of audited financial statements.

Further, the ARMC has considered the nature and extent of the non-audit services provided by the External Auditors and is satisfied with the provision of the non-audit services during the FYE 2022. As such, the ARMC is able to maintain the independence of the External Auditors.

The detailed role of the ARMC in relation to the external auditors is described in the Audit and Risk Management Committee Report of this Annual Report.

iii. Risk Management and Internal Control Framework

The Board has an overall responsibility in maintaining a sound system of risk management and internal control that provides reasonable assurance of effective and efficient operations. The Board assumes the responsibility in establishing an effective risk management and internal control framework. The ARMC is responsible in reviewing the reports in relation to the adequacy and integrity of the internal control system. As for the risk management framework, the effectiveness will be assessed and reviewed by the ARMC. The results of the annual review done on both the system of internal control and the risk management framework will be properly reviewed by the ARMC.

In respect of the internal audit functions, the ARMC will ensure amongst others, the adequacy of the audit scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its functions. The Group's internal audit function is carried out by the in-house Internal Auditor which reports directly to the ARMC. Details of the internal audit function are provided in the ARMC Report section of this Annual Report.

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

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

i. Communication with stakeholders

The Board recognises the importance of maintaining transparency and accountability to its stakeholders and is committed to provide the highest possible level of disclosure.

The Board keeps stakeholders informed via announcements and timely release of quarterly financial results, press releases, annual reports and circulars to shareholders. The information are also made available at the Company's website at <https://yxgroup.com.my/>.

As there may be instances where stakeholders may prefer to express their concerns to an independent director, the Board has appointed Mr. Tang Yow Sai, our chairman of ARMC, to whom concerns may be directed. The stakeholder can express his/her concern via email to tangys@yxgroup.com.my. The Board through the Management also takes effort to communicate with investors on regular basis to provide up to date information on latest material development in the Group.

ii. Conduct of General Meetings

Shareholders' meeting such as the AGM and/or Extraordinary General Meeting ("EGM") serve as the main forum for dialogue and communication between the Directors and the shareholders. Shareholders are given direct access to the Board in the meeting and are encouraged to participate in its proceedings to seek clarification on the meeting agenda including performance of the Group.

As recommended by the MCGG, the notice of AGM will be despatched to all shareholders at least twenty-eight (28) days before the AGM to provide sufficient time for shareholders to go through the Annual Report and make the necessary attendance and voting arrangements. The notice of AGM, which sets out the business to be transacted at the AGM, will also be published in a major local newspaper. The Board will ensure that each item of special business included in the notices of the AGM or EGM is accompanied by a full explanation of the effects of any proposed resolution. In line with Rule 8.31A of the Listing Requirements, all resolutions set out in the notice of general meeting will be put to vote by poll. The Company will also appoint an independent scrutineer to validate the vote cast in the general meeting. The outcome of the general meeting will then be announced to Bursa Securities on the same meeting day while the minutes of the general meeting will be posted on the Company's website no later than thirty (30) business days after the general meeting.

As the Company was newly listed on 23 June 2022, the upcoming AGM will be the Company's first AGM as a public listed company. Barring unforeseen circumstances, all Directors will be present at the forthcoming AGM of the Company to enable the shareholders to address questions and concerns directly to the Board.

iii. Promotes sustainability

The Board is committed to promote sustainability of its business which are aligned and embedded with the Group's day to day business activities. While promoting the sustainability, the Group has instilled good practices in the areas of environmental, social and governance into its business culture. Details on areas of sustainability are provided in the Sustainability Statement of this Annual Report.

STATEMENT ON COMPLIANCE

Having reviewed the governance structure and practices of the Group, the Board is of the view that the Group has complied with and shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices set out in MCGG and all other applicable laws, where applicable and appropriate.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors dated 3 April 2023.

The primary objectives of the Audit and Risk Management Committee (“ARMC”) are to assist the Board of Directors of YX Precious Metals Bhd (“YXPM” or “Company”) (“Board”) in fulfilling its fiduciary duties and to oversight objectives on the activities of YXPM and its subsidiaries namely Yi Xing Goldsmith Sdn Bhd, Gemas Precious Metal Industries Sdn Bhd, GPM Refinery Sdn Bhd and Emas Assayer Sdn Bhd (collectively known as “YXPM Group” or “Group”), which include, amongst others, the following:

- (i) to review the quarterly results to Bursa Malaysia Securities Berhad (“Bursa Securities”) and year-end financial statements of our Group before submission to our Board, focusing particularly on changes in or implementation of major accounting policy changes, significant matters highlighted and how these matters are addressed, and compliance with accounting standards and other legal requirements;
- (ii) to consider the nomination and appointment of external auditors and, if found appropriate, to recommend their appointment and their audit fee;
- (iii) to discuss with the external auditors, prior to the commencement of audit, their audit plan, which shall state the nature of the audit, and to ensure an effective co-ordination of audit, where more than one audit firm is involved;
- (iv) to review, in respect of internal audit functions, amongst others, the adequacy of the audit scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its functions;
- (v) to monitor any related party transactions and situations where a conflict of interest may arise within our Group, including any transaction, procedure or course of conduct that raises questions of management integrity, as well as to assess the financial risks relating to such transactions, and to ensure that our Directors report such transactions annually to our shareholders via the annual report;
- (vi) to review the reports in relation to the adequacy and integrity of our Group’s internal control system and to review the results of the annual review done on the system of internal control and the risk management framework;
- (vii) to discuss issues and matters arising from the interim and final external audits, and any matters the external auditors and/or internal auditors may wish to discuss in the absence of management, where necessary;
- (viii) to assess the effectiveness of the risk management framework, review and monitor risk reporting;
- (ix) to report promptly to Bursa Securities and/or to Securities Commission Malaysia (“SC”) on any matter reported to our Board, which has not been satisfactorily resolved resulting in the breach of the ACE Market Listing Requirements of Bursa Securities (“Listing Requirements”), rules and guidelines issued by Bursa Securities and/or the SC;
- (x) to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements; and
- (xi) to consider other matters as may be directed by our Board from time to time.

The Board is pleased to present the ARMC Report for the financial year ended 31 December (“FYE”) 2022.

1 Composition

The ARMC comprises Independent Non-Executive Directors and is appointed by the Board from amongst its members. The ARMC comprises of the following three (3) members:-

Name	Designation	Directorship
Tang Yow Sai	Chairman	Independent Non-Executive Director
Aw Ee Leng	Member	Independent Non-Executive Director
Wong Phait Lee (Appointed on 1 March 2022)	Member	Independent Non-Executive Director
Datuk Ng Yih Pyng (Resigned on 1 March 2022)	Member	Non-Independent Non-Executive Director

The composition of the ARMC complies with the requirements of Rules 15.09 and 15.10 of the Listing Requirements and Practice 9.4 of the Malaysian Code on Corporate Governance 2021 as follows:

- All three (3) members are Independent Non-Executive Directors, including the ARMC Chairman and none of them are alternate Directors; and
- The Chairman of ARMC, Mr. Tang Yow Sai, is a member of the Malaysia Institute of Certified Public Accountants.

The Company recognises the importance of upholding independency with the external auditors and that no possible conflict of interest should arise at any point of time. None of the members of the ARMC were former audit partners of the External Auditors appointed by the Group. The Company will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ARMC was an audit partner of the external auditors of the Group.

2 Attendance

The ARMC held three (3) meetings during the FYE 2022 and the attendance of each member is as follows:-

Name	Attendance	Percentage
Tang Yow Sai	3/3	100%
Aw Ee Leng	3/3	100%
Wong Phait Lee	3/3	100%

The Group Financial Controller was invited to attend all ARMC meetings to facilitate direct communications and to provide clarification on financial reports (i.e., quarterly results and year-end financial statements of the Group). Other Board members and designated members of Key Senior Management may also attend these meetings on the invitation of the ARMC. The internal auditors and external auditors are also invited to attend the ARMC meetings to present their audit plan and audit findings respectively, and for the external auditors to assist the ARMC in its review of the year-end financial statements. Minutes of each meeting were recorded and tabled for confirmation at the next ARMC meeting and subsequently presented to the Board for notation.

3 Terms of reference

The Terms of Reference of the ARMC which set out its objective, duties and responsibilities are attached at Appendix D of the Board Charter, which is accessible via the Company's website at <https://yxgroup.com.my/board-charter/>.

4 Financial literacy of the members of ARMC

The members of the ARMC have the relevant experience or expertise in finance and accounting, and have carried out their duties in accordance with the Terms of Reference of the ARMC. The qualification and experience of the individual ARMC members are disclosed in the Directors' Profile in the Annual Report.

All members of ARMC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required to enable them to effectively discharge their duties.

5 Summary of the work of the ARMC

The following is a summary of the work carried out by the ARMC during the FYE 2022 in accordance with its Terms of Reference:

i. Overview of Financial Performance and Reporting

- a. Reviewed the quarterly interim unaudited financial statements together with the Key Senior Management, focusing mainly on:
 - i. the financial performance and financial position of the Group;
 - ii. compliance with applicable accounting standards as well as applicable disclosure provisions of the Listing Requirements; and
 - iii. matters affecting the financial results such as change in accounting policies, significant events and etc., before recommending same to the Board for consideration and approval for release to Bursa Securities.

- b. Reviewed the annual audited financial statements and principal matters arising from the audit with the external auditors before recommending the same to the Board for consideration and approval. The key focus areas are as follows:
 - i. significant adjustments arising from the audit;
 - ii. key audit matters;
 - iii. compliance with accounting standards and other legal requirements;
 - iv. significant matters / events affecting the audit of the financial statements; and
 - v any significant judgements or estimations made by the Management.
- c. Reviewed the related party transactions (recurrent and non-current) entered by the Group on a quarterly basis to ensure that the terms and conditions of the transactions are entered into at arm's length basis and the transactions are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders.

ii. Corporate Reporting

- a. Reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report 2022; and
- b. Reviewed the ARMC Report for inclusion in the Annual Report 2022.

iii. External Audit

- a. Reviewed the Audit Progress Report and Audit Planning Memorandum together with the External Auditors, Messrs. BDO Malaysia PLT for the FYE 2022 and thereafter recommended the same to the Board for the Board's notation and approval;
- b. Updated by the External Auditors on changes to the relevant guidelines on the regulatory and statutory requirements;
- c. One (1) private session was held with the External Auditors without the presence of the Management to discuss on issues of concern; and
- d. Reviewed and evaluated the performance, effectiveness, suitability and independence of the External Auditors prior to recommendation to the Board on their re-appointment.

iv. Internal audit function

- a. Reviewed the internal audit plan for the Group for the FYE 2022; and
- b. Reviewed the Internal Audit Reports for the FYE 2022 and assessed the major findings by the Internal Auditors and evaluated Management's response.

v. Oversight of Risk Management Matters

- a. Ensured the incorporation of risk assessment exercise in the Internal Audit Plan for the Group for the FYE 2022; and
- b. Reviewed the risk register prepared by the management with all significant risks identified.

6 Internal audit function

The internal audit function is performed in-house and undertaken by the Internal Audit Department (“IAD”). The IAD is headed by Mr. Chew Ray Men, who has obtained a Bachelor of Arts (Accounting and Finance) from the University of Greenwich. He has more than 11 years of experience in the internal audit field. The IAD reports administratively to the Managing Director and directly to the ARMC, as an independent unit that provides independent and reasonable assurance that the system of internal controls continues to operate satisfactorily and effectively.

The IAD is guided by the Internal Audit Charter, Internal Audit Manual and the Committees’ Terms of Reference. The internal audit was carried out in accordance with the Core Principles for the Professional Practice of Internal Auditing, published in the Guidance for an Effective Internal Audit by Institute of Internal Auditors Malaysia.

The internal audit functions as an independent, objective assurance and consulting activity designed to add value and improve the Group’s operations. It evaluates whether:

- Internal controls are adequate, efficient and effective;
- The objectives of the Group are being achieved efficiently and effectively; and
- The established policies and procedures are being followed.

The costs incurred for the internal audit function in respect of the FYE 2022 was approximately RM59,690.

During the FYE 2022, the following were the activities carried out by the Internal Auditors in discharging its responsibilities on the audit planned for the year:

- i. Reviewed the Anti-Corruption and Anti-Bribery Policy of the Group; and
- ii Performed financial audit for major subsidiaries, i.e. Yi Xing Goldsmith Sdn Bhd and Gemas Precious Metals Industries Sdn Bhd.

The ARMC and the Board are satisfied with the performance of the IAD and have in the interest of greater independence and continuity in the internal audit function, taken the decision to continue with the Internal Audit function.

This ARMC Report has been reviewed by the ARMC and approved by the Board on 3 April 2023.

The Nomination Committee of YX Precious Metals Bhd (“YXPM” or “Company”)(“NC”) was established to support and advise the Board of Directors of YXPM (“Board”) in fulfilling their responsibilities to shareholders in ensuring the Board comprised of the right group of people, with an appropriate mix of skills, knowledge, experience and independent elements that fit the Company’s objectives and strategic goals.

1 Composition

The NC comprises three (3) members made up of Independent Non-Executive Directors as follows:-

Name	Designation	Directorship
Aw Ee Leng	Chairman	Independent Non-Executive Director
Tang Yow Sai	Member	Independent Non-Executive Director
Wong Phait Lee (Appointed on 1 March 2022)	Member	Independent Non-Executive Director
Datuk Ng Yih Pyng (Resigned on 1 March 2022)	Member	Non-Independent Non-Executive Director

2 Attendance

The NC held one (1) meeting during the financial year ended 31 December (“FYE”) 2022 and the attendance of each member is as follows:-

Name	Attendance	Percentage
Aw Ee Leng	1/1	100%
Tang Yow Sai	1/1	100%
Wong Phait Lee	1/1	100%

3 Attendance

The Terms of Reference of the NC which set out its objective, duties and responsibilities are attached at Appendix E of the Board Charter, which is accessible via the Company’s website at <https://yxgroup.com.my/board-charter/>.

4 Summary of the work of the NC

During the FYE 2022, the NC had undertaken the following activities in discharging its duties: -

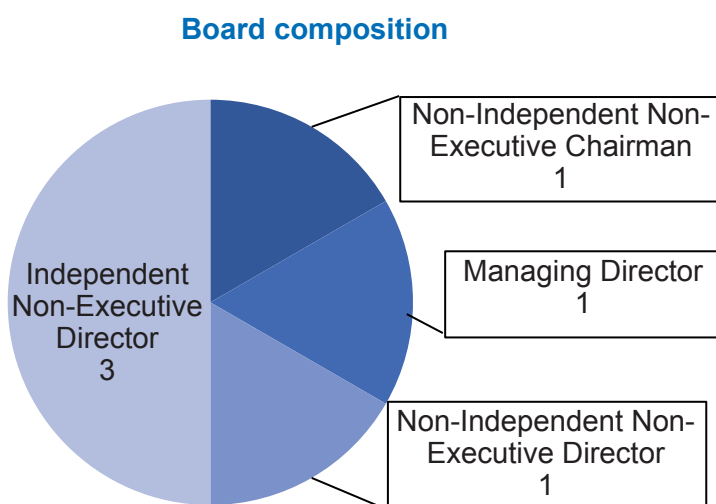
- a. Conducted annual assessment of the performance of the all the Directors for the FYE 2022 and provided its recommendation to the Board.

The Directors are required to complete their Performance Evaluation Form on annual basis and submits to the NC for assessment. The Directors are also required to declare any conflict of interest in the Company as well as their directorship in other public companies and other listed issuers. In addition, the Directors are also needed to confirm if there is any sanction or penalty imposed onto them by relevant regulatory bodies during the financial year or offences convicted within the past five (5) years.

The NC evaluated each individual Director taking into consideration their skillsets and commitment required of them to discharge their duty and is satisfied with the performance of all the directors.

- b. Conducted annual assessment of the Independent Directors and made its recommendation to the Board.

Currently, the Board comprises six (6) members as follows:



The composition of our Board meets the requirement of the Malaysia Code on Corporate Governance 2021 (“MCCG”), which provide that at least half of the Board members should consist of independent directors.

The Independent Directors has declared their independence and non-conflict of interest with the Company in the Performance Evaluation Form on an annual basis. The NC has reviewed and satisfied on the independence of the Independent Directors.

- c. Reviewed and recommended the appointment of new Director and Board Chairman for the Board’s approval.

Following to the demise of our Independent Non-Executive Chairman, the late Tan Sri Azlan Bin Mohd Zainol on 12 January 2023, the NC had on 16 February 2023, assessed and recommended to the Board for the appointment of Puan Sri Nonadiah Binti Abdullah as the Non-Independent Non-Executive Chairman of the Company.

- d. Reviewed and recommended the re-election of the retiring Directors for Board’s approval.

The NC has also assessed and recommended to the Board of the proposed re-election and re-appointment of relevant Directors by the shareholders at the forthcoming Annual General Meeting (“AGM”) of the Company. It assesses and evaluates the Directors individually to determine on their status of independence, mix set of skills and experience before deciding on the selection and nomination of directors for their respective re-election or re-appointment.

The NC has recommended for the following Directors to retire and eligible for re-election by shareholders at the forthcoming AGM of the Company:

- i. Datuk Ng Yih Pyng
- ii. Ng Sheau Chyn
- iii. Puan Sri Nonadiah Binti Abdullah

All Directors who are due for retirement have expressed their intention to seek for re-election and re-appointment from the shareholders at the forthcoming AGM of the Company.

e. Assessment of Audit and Risk Management Committee (“ARMC”)

The NC has conducted an assessment on the term of office and performance of the ARMC and each of the members individually. The assessment has been conducted annually in accordance to the Rule 15.20 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)(Listing Requirements”).

Upon its assessment, the NC is satisfied and has recommended to the Board that the ARMC has performed up to expectation and in accordance to the term of reference as mandated.

The NC has also reviewed the composition of the ARMC to ensure that it complies with Practice 10.3 of the MCCG. Upon its review, the NC is satisfied and has recommended to the Board.

f. Reviewed the training requirement of the Directors

The NC has reviewed the training requirement of the directors based on their skills and the ongoing current requirement in order for them to discharge their duty diligently. During the FYE 2022, the Directors had attended the following training:

Name of Directors	Date of Training	Training Programmes	Organiser
Tan Sri Azlan Bin Mohd Zainol*	4 April 2022	Economic Impact on Malaysia from Rising Geopolitical Risks	Mr Alan Tan
Ng Sheau Chyn	4 April 2022	Economic Impact on Malaysia from Rising Geopolitical Risks	Mr Alan Tan
Tang Yow Sai	4 April 2022	Economic Impact on Malaysia from Rising Geopolitical Risks	Mr Alan Tan
	17 November 2022	Security Commission Malaysia’s Audit Oversight Board Conversation with audit Committees	Audit Oversight Board
Aw Ee Leng	4 April 2022	Economic Impact on Malaysia from Rising Geopolitical Risks	Mr Alan Tan
	17 November 2022	Security Commission Malaysia’s Audit Oversight Board Conversation with audit Committees	Audit Oversight Board
Wong Phait Lee	4 April 2022	Economic Impact on Malaysia from Rising Geopolitical Risks	Mr Alan Tan
	23-25 May 2022	Mandatory Programme Accreditation	Institute of Corporate Directors Malaysia
Datuk Ng Yih Pyng	4 April 2022	Economic Impact on Malaysia from Rising Geopolitical Risks	Mr Alan Tan

Note:

* Demised on 12 January 2023

g. Reviewed and recommended to the Board on the adoption of Directors’ Fit and Proper Policy.

In line with the changes to the Listing Requirements, the NC has reviewed the Directors’ Fit and Proper Policy prepared by the management and recommended to the Board for adoption. A copy of the Directors’ Fit and Proper Policy is accessible via the Company’s website at <https://yxgroup.com.my/fit-and-proper-policy/>.

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)(“Listing Requirements”), and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers as well as the Malaysian Code on Corporate Governance 2021, the Board of Directors of YX Precious Metals Bhd (“Board”) is pleased to provide the Group’s Statement on Risk Management and Internal Control (“Statement”) in this Annual Report.

BOARD RESPONSIBILITY

The Board acknowledges their responsibility and is committed to enhance the existing system of internal control and risk management affecting the Group’s operations in order to safeguard shareholders’ investments and the Group’s assets. The responsibility of reviewing the adequacy and integrity of the Group’s system of internal control and risk management framework is delegated to the Audit and Risk Management Committee (“ARMC”), which report directly to the Board. The Board periodically reviews the effectiveness and adequacy of the framework and systems by identifying, assessing, monitoring and communicating key business risks to safeguard the shareholders’ investment and the Group’s assets.

Board Committees (i.e. ARMC, Nomination Committee and Remuneration Committee) undertakes their duties and responsibilities according to their delegated functions as set out in their respective Terms of Reference.

However, there are inherent limitations in any system of internal control system as it is designed to manage rather than to eliminate the risk of failure to meet the Group’s business objectives. Therefore, it can only provide reasonable and not absolute assurance against material misstatement or loss.

MAIN FEATURES OF THE GROUP’S RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL SYSTEM

Risk Management Framework

The Board recognises that risk management is vital to the sustainability of the Group’s operation and at the same time enhancing shareholders’ value.

As part of the Group’s risk management process, the ARMC, which comprises solely of Independent Non-Executive Directors, has been established to perform, amongst others, the following:

- overseeing the risk management structure;
- reviewing and recommending risk management strategies, policies and framework for identifying, measuring, monitoring and controlling risks;
- assess the effectiveness of the risk management framework;
- developing and implementing internal compliance and control systems and procedures to manage risks; and
- monitoring and communicating risk assessment results to the Board. The ARMC meets periodically to consider principal risks evaluated by the respective risk owners that may impede the Group from achieving its strategic and operational objectives, as well as develop action plans to mitigate such risks.

The Enterprise Risk Management framework adopted by the Group, which is benchmark against the ISO 31000:2018 Risk Management – Principles and Guidelines, sets out the following elements:



A dedicated risk management department has been established to lead the risk management process together with other Heads of Departments in identifying, evaluating and managing the significant risks of the Group.

For each risk identified, the risk management process includes assessing the likelihood of its occurrence and its impact. The significant risks faced by the Group, including action plans to mitigate risks within acceptable levels, is reported by ARMC to the Board at least once a year.

During the financial year ended 31 December (“FYE”) 2022, the following risk management activities were carried out:

Date	Risk Management Activities
30 June 2022	Risk assessment meeting with our Key Senior Management was conducted to update the key risk profile. During the meeting, key risks identified were rated and prioritised in terms of likelihood of the risk occurring and its impact should the risk occur. The risk ratings take into consideration the effectiveness of existing internal controls in place to mitigate the key risks identified. Thereafter, risk management strategies or action plans of our Key Senior Management to be undertaken are considered to manage risks to an acceptable level.
23 August 2022	The results of the risk assessments and the Risk Management Framework were reported and deliberated at the ARMC meeting held.

All significant risks identified and relevant controls and mitigation plans taken by our Key Senior Management are documented in the Risk Register which are compiled and tabled to the ARMC and the Board for deliberation.

Key Risk Areas

The key risks areas of the Group that were presented to the ARMC, where controls, mitigating plans and monitoring mechanisms were highlighted are as follows:

<p>External risks</p> <p>External risks refer to risks from external business environment that have a material impact on the way business conducted by the Group, such as risk on fluctuations of gold prices.</p> <p>To mitigate such risk, the Group has placed in various measures, such as maintaining healthy price spread on gold selling price and optimal inventory level, as well as tight monitoring on gold prices prior to gold material purchases.</p>
<p>Operational Risks</p> <p>Operational risk is identified as the risk that deficiencies in internal processes, human errors, management failures that will result in the reduction or deterioration of customers' demands for the goods and services provided by the Group.</p> <p>The Group has implemented various controls on operational risks identified, including close monitoring of key operational risks, conduct on the job training and establishment of policies and procedures.</p>
<p>Regulatory Risks</p> <p>Regulatory Risk refers to risks or losses to the Group arising from the cost of non-compliance and failure to comply with any regulatory obligations that are imposed upon the Group.</p> <p>Various key policies such as Code of Conduct and Ethics, Whistleblowing Policy, Anti-Bribery and Anti-Corruption Policy and Directors' Fit and Proper Policy were established and published on the Group's website. Policies and procedures were periodically reviewed by the management to ensure relevance, applicability and to reduce the Group's exposure to potential liabilities arising from non-compliance. The Group has also committed to provide continuous staff training on Anti-Bribery and Anti-Corruption and Anti-Money Laundering and Anti-Terrorism Financing.</p>
<p>Sustainability Risks</p> <p>Sustainability Risk refers to environmental, climate, social, or governance events or conditions that could cause an actual or a potential material negative impact on the value of the Group.</p> <p>The Group has developed a sustainability framework to define the Group's visions and strategy to achieve sustainability goals and objectives. The Group has also established a sustainability working Group to identifying, evaluating, monitoring and managing the potential sustainability risks and opportunities as well as ensures all material sustainability matters are being considered and managed by the Group through its sustainability initiatives, including stakeholder engagement and materiality assessment.</p>

Internal Control Framework

The key elements of the Group's internal control framework are as follows:

- Limits of authority and responsibility

A clear line of reporting hierarchy has been established which provides for a documented trail of accountability. This includes clearly defined lines and limits of authority, responsibility and accountability which have been established through the Group's organizational structure and authority limits including specific matters requiring your Board's approval.

- Strategic business planning

Our Managing Director is responsible to formulate business strategy plan and present it to the Board for deliberation and consequential modifications resulting there from. The Board approves the annual performance budget against which performance is monitored on an ongoing basis.

- Documented policies and procedures

The Group's policies and operational procedures are compiled into standard operating manuals and are maintained to streamline activities and are reviewed and updated, when necessary.

The Group has also formalised Code of Conduct and Ethics, Whistleblowing Policy, Anti-Bribery and Anti-Corruption Policy and Directors' Fit and Proper Policy, which was published on the Group's website at <https://yxgroup.com.my/corporate-governance/>.

For the FYE 2022, no concerns were raised in relation to any wrongdoing or improper conduct involving the Group or its Directors or employees.

- Performance monitoring and reporting

Our Key Senior Management is tasked to monitor and review the financial and operational performance of individual segment within the Group on a monthly basis and compare the results against the operating plans/budgets. Our Key Senior Management will formulate and communicate the action plans to address areas of concern on a periodic basis.

- Financial performance review

The quarterly and annual results of the Group are reviewed by the ARMC and recommended to the Board for deliberations and approval to be released to Bursa Securities.

- Safeguarding of assets

Sufficient insurance coverage and physical safeguards over major assets including inventory of the Group are in place to ensure that the assets are adequately insured against calamities and/or theft that may result in material loss to the Group.

INTERNAL AUDIT FUNCTION

The Internal Audit Department independently, objectively and regularly review key processes, check compliance with policies and procedures, evaluate the adequacy and effectiveness of internal control, risk management and governance processes established by the Key Senior Management and/or the Board within the Group. The annual Internal Audit Plan, of which was established primarily based on risk-based approach, is being reviewed and approved by the ARMC on an annual basis.

During the ARMC meetings, the Head of Internal Audit Department has presented the progress of the Internal Audit Plan 2022 to the ARMC for its deliberation. The Internal Audit Plan 2022 covers the status of internal audit assignments, key findings from internal audit reports, audit recommendations by the internal auditors, the representations made, and the corrective actions taken by Management in addressing and resolving issues and ensured that all issues were adequately addressed on a timely basis. The Head of the Internal Audit Department reports directly to the ARMC. The Board, however, is still responsible for ensuring the adherence of the scope of the internal audit function.

Based on the internal audit reviews carried out, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties to the Group.

ASSURANCE FROM MANAGEMENT

In accordance to the Guidelines, the Management is responsible to the Board for identifying risks relevant to the business of the Company's objectives and strategies, implementing and maintaining a sound system of risk management and internal control, and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Company's achievement of its objectives and performance.

In producing this Statement, the Board has received assurance from the Managing Director and Group Financial Controller that, to the best of their knowledge, the Group's risk management and internal control system is in place for the FYE 31 December 2022 and is operating adequately and effectively, in all material aspects.

REVIEW BY EXTERNAL AUDITOR

As required by Rule 15.23 of the ACE Market Listing Requirements of Bursa Securities, the Company's external auditors have reviewed this Statement for inclusion in the Annual Report for FYE 31 December 2022. Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

Their limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) *Assurance Engagements Other than Audit or Reviews of Historical Financial Information* and the Audit and Assurance Practice Guide ("AAPG") 3 *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report*, issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group.

REVIEW BY THE BOARD

The Board has considered all the reports presented by the ARMC and is of the opinion that the measures taken to manage the business, financial and operational risks of the Group are satisfactory and of an acceptable level and the system of internal control in place is effective and adequate for the year under review.

This Statement on Risk Management and Internal Control is made by the Board in accordance to its resolution dated 3 April 2023.

1. Utilisation of proceeds

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad (“ACE Market”) on 23 June 2022 (“Listing Date”) in conjunction with its Initial Public Offering (“IPO”), where the Company undertook a public issue of 111,648,000 new ordinary shares in the Company at an issue price of RM0.28 per share, raising proceeds of RM31.26 million.

Details on the proceeds raised from the IPO amounting to RM31.26 million together with the status of utilisation as at 31 December 2022 are as follows:

Purposes	Proposed utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Deviation RM'000	Estimated time frame for use (from the Listing Date)
Purchase of new machinery and equipment for expansion of hollow gold jewellery range	4,400	-	4,400	-	Within 24 months
Expansion and upgrading of operational facilities	2,500	-	2,500	-	Within 24 months
Working capital -Purchase of raw materials	20,861	21,389	-	528 ⁽ⁱ⁾	Within 12 months
Estimated listing expenses	3,500	2,972	-	(528) ⁽ⁱ⁾	Within 3 months
Total	31,261	24,361	6,900	-	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 30 May 2022.

Note:

- (i) Pursuant to Section 4.4.4 of the Company’s Prospectus dated 30 May 2022, if the actual listing expenses are higher than budgeted, the deficit will be funded by internally generated funds. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital purposes.

As such, the excess of RM0.53 million was utilised for working capital purposes.

2. Audit and Non-audit fees paid or payable to external auditors

During the financial year ended 31 December (“FYE”) 2022, the amount of audit and non-audit fees paid or payable to the External Auditors by the Company and Group respectively are as follows:

	Company RM	Group RM
Audit fees	34,000	65,000
Non- audit fees*	46,000	48,000

* Included non-statutory audit fees relating to the initial public offering and listing of the Company amounting to RM220,000, of which RM179,000 was paid in FYE 2021.

3. Material Contracts

During the FYE 2022, there were no material contracts (including contracts not reduced into writing), entered into by the Company and/or its subsidiaries involving Directors’, chief executive’s and/or major shareholders’ interests.

4. Material Contracts relating to loans

During the FYE 2022, there were no material contracts relating to loans entered into by the Company and its subsidiaries involving Directors’, chief executive’s and/or major shareholders’ interests.

5. Recurrent Related Parties Transactions (“RRPT”)

The Group will seek its first shareholders’ mandate for the RRPT, following its listing on 23 June 2022, at its forthcoming 2nd Annual General Meeting (“AGM”) to be held on 10 May 2023. The first shareholders’ mandate for the RRPT comprises of Proposed Shareholders’ Ratification from the shareholders of the Company for the RRPTs entered into by the Group for the period commencing from Listing Date to the date of the AGM (“Proposed Shareholders’ Ratification”) and Proposed new shareholders’ mandate for YXPM Group to enter into RRPTs of a revenue or trading nature (“Proposed New Shareholders’ Mandate”).

The Proposed Shareholders’ Ratification is being sought instead of obtaining shareholders’ prior approval, mainly due to YXPM is in its 1st year of listing on the ACE Market, ratification of RRPTs entered into from the Listing Date up to its AGM allows the Company to coincide the Proposed Shareholders’ Ratification and Proposed New Shareholders Mandate with its AGM and eliminate the need for separate general meetings which reduces expenses for the Company.

The table below sets forth the aggregate value of the recurrent related party transactions conducted by the Company and/or its subsidiary companies with related parties during the FYE 2022:

Companies within the YXPM Group	Transacting parties	Nature of relationship	Nature of transaction	Vendor	Purchaser	Amount of transactions RM'000
YXG	Ong Tiong Yee & Sons Sdn Bhd ("OTY")	<ul style="list-style-type: none"> Ng Sheau Chyn, being our Major Shareholder and Managing Director, is the spouse of Ong Kee Liang. Ong Kee Liang is a director and shareholder of OTY. 	Sales of gold jewellery	YXG	OTY	654
			Purchase of scrap gold bars	OTY	YXG	241
GPM	Gexcel Asia Sdn Bhd ("GASB")	<ul style="list-style-type: none"> Ng Sheau Chyn, being our Major Shareholder and Managing Director, is a director of GASB and also deemed shareholder of GASB through her shareholdings in Ng Teck Fong Holdings Sdn Bhd, the shareholder of GASB. 	Sales of corporate gold coins	GPM	GASB	15
			Purchase of manufacturing tools for jewellery manufacturing machines	GASB	GPM	124
GPM, GRSB and YXG	Tomei Gold & Jewellery Holdings (M) Sdn Bhd ("TGJH")	<ul style="list-style-type: none"> Tomei Consolidated Berhad, being our Major Shareholder, is the holding company of TGJH. 	Sales of gold jewellery, provision of gold jewellery manufacturing services and provision of refinery services	GPM, GRSB and YXG	TGJH	41,128
			Purchase of scrap gold bars and silver bars	TGJH	GPM, GRSB and YXG	27,105
GPM and YXG	Tomei Gold & Jewellery Manufacturing Sdn Bhd ("TGJM")	<ul style="list-style-type: none"> Tomei Consolidated Berhad, being our Major Shareholder, is the holding company of TGJM. 	Sales of silver chains and provision of gold jewellery manufacturing services	GPM and YXG	TGJM	3
			Purchase of pure and scrap gold bars.	TGJM	GPM and YXG	3

Companies within the YXPM Group	Transacting parties	Nature of relationship	Nature of transaction	Vendor	Purchaser	Amount of transactions RM'000
GPM and YXG	TXG Financial Solutions Sdn Bhd ("TXGF")	<ul style="list-style-type: none"> Tomei Consolidated Berhad, being our Major Shareholder, is the holding company of TXGF. 	Fee for hedging on gold price TXGF GPM and fluctuations	TXGF	GPM and YXG	99
GPM and YXG	Oasis Properties Sdn Bhd ("OPSB")	<ul style="list-style-type: none"> Datuk Ng Yih Pyng, being our Major Shareholder and Non-Independent Non-Executive Chairman, is a director and shareholder of OPSB. Ng Sheau Chyn, being our Major Shareholder and Managing Director, is a director and shareholder of OPSB. Ng Sheau Yuen, being our Shareholder, is a director shareholder of OPSB. Ng Yih Chen, being our Major Shareholder, is the spouse and father of Wee Ching Yun and Ng Yi Li, respectively. Wee Ching Yun and Ng Yi Li are directors and shareholders of NYC Resources Sdn Bhd. NYC Resources Sdn Bhd is a shareholder of OPSB. 	Rental of premises from OPSB	OPSB	GPM and YXG	221

The Board of Directors of YX Precious Metals Bhd (“YXPM” or “Company”) (“Board”) is responsible for ensuring that the financial statements for the financial year which have been drawn up in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the provisions of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the YXPM and its subsidiaries, namely Yi Xing Goldsmith Sdn Bhd, Gemas Precious Metals Industries Sdn Bhd, GPM Refinery Sdn Bhd and Emas Assayer Sdn Bhd (collectively known as “Group”) as at 31 December 2022 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements, the Board has used appropriate and relevant accounting policies that are consistently used and supported by reasonable as well as prudent judgements and estimates, and that all applicable approved MFRSs and IFRSs have been complied with.

The Board is responsible for ensuring that the Group and the Company keep proper accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with MFRSs, IFRSs and the provision of the Companies Act, 2016 in Malaysia.

The Board also has a general responsibility for taking such steps as are reasonably opened to them to safeguard the assets of the Group and to detect and prevent fraud and other irregularities.



FINANCIAL STATEMENTS

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The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are mainly wholesale, design and manufacture of gold jewellery and other related products and services and provision of refining services for precious metal. The principal activities and the details of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	9,401	179
Attributable to:		
Owners of the parent	9,401	179
Non-controlling interests	-	-
	9,401	179

DIVIDEND

No dividend has been paid, declared or proposed since the end of the previous financial year.

The Directors proposed a first and final single tier dividend of 0.80 sen per ordinary share amounting to RM2,977,200 in respect of the financial year ended 31 December 2022, subject to the approval of shareholders at the forthcoming Annual General Meeting.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2023.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company has increased its issued and paid-up share capital by way of:

- (i) issuance of 260,501,990 new ordinary shares at an issue price of RM0.20 each for acquisition of subsidiaries as disclosed in Note 7 to the financial statements; and
- (ii) issuance of 111,648,000 new ordinary shares at an issue price of RM0.28 each in conjunction with the Initial Public Offerings ("IPO") of the Company.

The newly issued shares rank pari passu in all respects with the existing shares of the Company. There were no other issuance of shares during the financial year.

The Company did not issue any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Datuk Ng Yih Pyng
 Ng Sheau Chyn*
 Aw Ee Leng
 Tang Yow Sai
 Wong Phait Lee (Appointed on 1 March 2022)
 Puan Sri Nonadiah Binti Abdullah (Appointed on 28 February 2023)
 Tan Sri Azlan Bin Mohd Zainol (Demised on 12 January 2023)

* Ng Sheau Chyn is also the Director of all the subsidiaries of the Company.

The Directors of subsidiaries who had held office since the date of the last report and up to the date of this report, not including those Directors listed above are:

Samuel Sia Hsiao Guong (Appointed on 24 November 2022)
 Chai Jone Fuu (Resigned on 24 November 2022)

In accordance with Clause 91 and Clause 92 of the Company's Constitution, Puan Sri Nonadiah Binti Abdullah, Datuk Ng Yih Pyng and Ng Sheau Chyn retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2022 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, were as follows:

	----- Number of ordinary shares -----			
	Balance as at 1.1.2022	Acquired	Sold	Balance as at 31.12.2022
Shares in the Company				
<u>Direct interests:</u>				
Tan Sri Azlan Bin Mohd Zainol	-	500,000	-	500,000
Datuk Ng Yih Pyng	-	100,000	-	100,000
Ng Sheau Chyn	-	71,800	-	71,800
Aw Ee Leng	-	500,000	-	500,000
Wong Phait Lee	-	500,000	-	500,000
<u>Indirect interests:</u>				
Datuk Ng Yih Pyng ⁽¹⁾	10	271,602,990	-	271,603,000
Ng Sheau Chyn ⁽¹⁾	10	271,602,990	-	271,603,000

DIRECTORS' INTERESTS (continued)

----- Number of ordinary shares -----				
	Balance as at 1.1.2022	Acquired	Sold	Balance as at 31.12.2022
Shares in the immediate holding company				
Tomei Consolidated Berhad				
<u>Direct interests:</u>				
Datuk Ng Yih Pyng	581,239	400,000	-	981,239
Puan Sri Nonadiah Binti Abdullah	2,000,000	-	(1,000,000)	1,000,000
Ng Sheau Chyn	468,700	-	-	468,700
<u>Indirect interests</u>				
Datuk Ng Yih Pyng ⁽²⁾	82,702,399	-	-	82,702,399
Ng Sheau Chyn ⁽²⁾	82,702,399	-	-	82,702,399

----- Number of ordinary shares -----				
	Balance as at 1.1.2022	Acquired	Sold	Balance as at 31.12.2022
Shares in the ultimate holding company				
Teck Fong Corporation Sdn. Bhd.				
<u>Direct interests</u>				
Datuk Ng Yih Pyng	200,000	-	-	200,000
Ng Sheau Chyn	60,000	-	-	60,000

Notes:

(1) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Teck Fong Corporation Sdn. Bhd. and Tropical Bliss Sdn. Bhd..

(2) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Teck Fong Corporation Sdn. Bhd., Tropical Bliss Sdn. Bhd. and being a trustee of Ng Teck Fong Foundation.

By virtue of their interests in the ordinary shares of the Company, Datuk Ng Yih Pyng and Ng Sheau Chyn are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

Other than the above, none of the other Directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received and receivable by the Directors as shown in 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 other than the following:

- (a) Certain directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests; and
- (b) Certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries.

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

DIRECTORS' REMUNERATION

Remuneration for the Directors of the Company in respect of the financial year ended 31 December 2022 were as follows:

	Group RM'000	Company RM'000
Directors' fees	175	175
Short term employee benefits	459	10
Contributions to defined contribution plan	50	-
	<u>684</u>	<u>185</u>

The estimated monetary value of benefits-in-kind received by the Director of the Company amounted to RM23,950.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers. The insurance premium effected for any director and officer of the Company was borne by the immediate holding company.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there were no known bad debts to be written off and that adequate provision had been made for doubtful debts; and

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(I) AS AT THE END OF THE FINANCIAL YEAR (continued)

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps: (continued)
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL PERIOD TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 18 August 2021, the Company entered into a conditional Sales and Purchase Agreement to acquire the total equity interest in Yi Xing Goldsmith Sdn. Bhd., Gemas Precious Metals Industries Sdn. Bhd., Emas Assayer Sdn. Bhd. and GPM Refinery Sdn. Bhd. from Tomei Consolidated Berhad ("Tomei"), the immediate holding company, for a consideration of RM52.10 million to be satisfied via the issuance of 260,501,990 ordinary shares of RM0.20 each in the Company to Tomei.

The acquisitions of subsidiaries had been completed on 12 April 2022 in accordance with the terms and conditions of the SPA.

- (b) On 30 May 2022, the Company issued a prospectus in connection with the IPO and the Listing. The IPO involves the offering of 111,648,000 ordinary shares in the Company in conjunction with the listing of and quotation for the entire ordinary shares in the Company on the ACE Market of Bursa Malaysia Securities Berhad. The IPO and the Listing were completed on 23 June 2022.

HOLDING COMPANIES

The immediate holding company is Tomei Consolidated Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The ultimate holding company is Teck Fong Corporation Sdn. Bhd., a company incorporated in Malaysia.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 were as follows:

	Group RM'000	Company RM'000
Statutory audit	65	34
Non-statutory audit [^]	227	225
Total	<u>292</u>	<u>259</u>

[^]Included non-statutory audit fees relating to the initial public offering and listing of the Company amounting to RM220,000.

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

.....
Tang Yow Sai
Director

.....
Ng Sheau Chyn
Director

Kuala Lumpur
3 April 2023

On behalf of the Board,

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of YX Precious Metals Bhd, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 84 to 128.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current 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.

Recoverability of trade receivables

As at 31 December 2022, the Group had trade receivables amounted to RM9,746,000, which were net of impairment losses of RM363,000 as disclosed in Note 10 to the financial statements .

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the probability of default by trade receivables as well as the use of appropriate forward-looking information.

Our audit procedures included the following:

- (i) assessed the adequacy of credit impaired assessment performed by management on trade receivables exceeding their credit terms and long overdue and old balances;
- (ii) tested the accuracy of trade receivables' ageing;

Key Audit Matters (continued)

Recoverability of trade receivables (continued)

Our audit procedures included the following: (continued)

- (iii) assessed the appropriateness of the probability of default and incorporating forward-looking information adjustment, applied by the Group;
- (iv) recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group;
- (v) inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and
- (vi) assessed cash receipts subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material 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 ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- (a) 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.
- (b) 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 internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) 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 ability of the Group or of the Company 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.
- (e) 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.
- (f) 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.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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.

Other Matters

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

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
3 April 2023

Law Kian Huat
02855/06/2024 J
Chartered Accountant

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	3,645	1,894	19	23
Right-of-use assets	6	787	696	-	-
Investments in subsidiaries	7	-	-	79,600	-
Deferred tax assets	8	38	61	-	-
		4,470	2,651	79,619	23
Current assets					
Inventories	9	64,328	49,089	-	-
Trade and other receivables	10	12,383	19,279	178	1,204
Current tax assets		28	*	-	-
Cash and bank balances	11	25,884	8,853	3,422	*
		102,623	77,221	3,600	1,204
TOTAL ASSETS		107,093	79,872	83,219	1,227
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital/Invested equity	12	82,889	17,600	82,889	*
Reserves	13	16,501	41,600	92	(87)
TOTAL EQUITY		99,390	59,200	82,981	(87)
LIABILITIES					
Non-current liabilities					
Lease liabilities	6	522	386	-	-
Deferred tax liabilities	8	251	67	-	-
		773	453	-	-
Current liabilities					
Trade and other payables	15	1,854	1,994	238	1,314
Borrowings	14	4,765	17,309	-	-
Lease liabilities	6	199	203	-	-
Current tax liabilities		112	713	-	-
		6,930	20,219	238	1,314
TOTAL LIABILITIES		7,703	20,672	238	1,314
TOTAL EQUITY AND LIABILITIES		107,093	79,872	83,219	1,227

* Amount is less than RM1,000.

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

**STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022



		Group		Company	
		1.1.2022 to 31.12.2022 RM'000	1.1.2021 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	11.1.2021 (date of incorporation) to 31.12.2021 RM'000
	Note				
Revenue	16	298,042	265,384	3,137	-
Cost of sales		(276,167)	(251,042)	-	-
Gross profit		21,875	14,342	3,137	-
Other income		97	622	-	-
Selling and distribution expenses		(1,393)	(1,261)	-	-
Administrative expenses		(6,693)	(3,205)	(2,958)	(87)
Net gains/(losses) on impairment of financial assets		82	(77)	-	-
Other expenses		(148)	(282)	-	-
Finance costs	17	(601)	(849)	-	-
Profit/(loss) before tax	18	13,219	9,290	179	(87)
Tax expense	19	(3,818)	(2,186)	-	-
Profit/(loss) for the financial year/period		9,401	7,104	179	(87)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income/(loss)		9,401	7,104	179	(87)
Profit/(loss) attributable to:					
Owners of the parent		9,401	7,104	179	(87)
Non-controlling interests		-	-	-	-
		9,401	7,104	179	(87)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		9,401	7,104	179	(87)
Non-controlling interests		-	-	-	-
		9,401	7,104	179	(87)
Earnings per ordinary share attributable to equity holders of the parent (sen)					
- Basic and diluted	20(a)	3.73	40.36		

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

Group	Note	Share capital/ Invested equity RM'000	Merger reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2021		17,600	-	34,496	52,096
Profit for the financial year		-	-	7,104	7,104
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	7,104	7,104
Balance as at 31 December 2021		17,600	-	41,600	59,200
Balance as at 1 January 2022		17,600	-	41,600	59,200
Profit for the financial year		-	-	9,401	9,401
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	9,401	9,401
Transactions with owners					
Effect of business combination under common control:					
- elimination of subsidiaries' share capital	12	(17,600)	(34,500)	-	(52,100)
Ordinary shares issued	12	83,361	-	-	83,361
Ordinary shares issuance expenses	12	(472)	-	-	(472)
Total transactions with owners		65,289	(34,500)	-	30,789
Balance as at 31 December 2022		82,889	(34,500)	51,001	99,390

Company	Note	Share capital RM'000	(Accumulated losses)/Retained earnings RM'000	(Capital deficiency)/ Total equity RM'000
Balance as at 11 January 2021, (date of incorporation)		*	-	*
Loss for the financial period		-	(87)	(87)
Other comprehensive loss, net of tax		-	-	-
Total comprehensive loss		-	(87)	(87)
Balance as at 31 December 2021		*	(87)	(87)
Balance as at 1 January 2022		*	(87)	(87)
Profit for the financial year		-	179	179
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	179	179
Transactions with owners				
Ordinary shares issued	12	83,361	-	83,361
Ordinary shares issuance expenses		(472)	-	(472)
Total transactions with owners		82,889	-	82,889
Balance as at 31 December 2022		82,889	92	82,981

* Amount is less than RM1,000.

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

		Group		Company	
	Note	1.1.2022 to 31.12.2022 RM'000	1.1.2021 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	11.1.2021 (date of incorporation) to 31.12.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		13,219	9,290	179	(87)
Adjustments for:					
Depreciation of property, plant and equipment	5	445	306	5	2
Depreciation of right-of-use assets	6	249	195	-	-
Finance costs	17	601	849	-	-
Gain on disposal of property, plant and equipment		(20)	(356)	-	-
Gross dividend income		-	-	(3,137)	-
Interest income		(51)	*	-	-
Impairment losses on trade and other receivables	10(f)	58	123	-	-
Reversal of impairment losses on trade and other receivables	10(f)	(140)	(46)	-	-
Net unrealised loss/(gain) on foreign exchange		4	(4)	-	-
Operating profit/(loss) before changes in working capital		14,365	10,357	(2,953)	(85)
Changes in working capital:					
Inventories		(15,239)	3,955	-	-
Trade and other receivables		6,970	(7,975)	1,026	(1,204)
Trade and other payables		(140)	679	153	86
Cash generated from/(used in) operations		5,956	7,016	(1,774)	(1,203)
Interest paid		(574)	(813)	-	-
Tax paid		(4,241)	(2,104)	-	-
Dividend received		-	-	3,137	-
Net cash from/(used in) operating activities		1,141	4,099	1,363	(1,203)

		Group		Company	
		1.1.2022 to 31.12.2022 RM'000	1.1.2021 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	11.1.2021 (date of incorporation) to 31.12.2021 RM'000
	Note				
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of interest in subsidiaries		-	-	(1,000)	-
Interest income		51	*	-	-
Net (advances to)/repayments from subsidiaries		-	-	(27,729)	1,228
Proceeds from disposal of property, plant and equipment		20	485	-	-
Purchase of property, plant and equipment	5	(2,196)	(1,140)	(1)	(25)
Addition of right-of-use assets	6	-	(114)	-	-
Net cash (used in)/from investing activities		(2,125)	(769)	(28,730)	1,203
CASH FLOWS FROM FINANCING ACTIVITIES					
Lease interest paid	6	(14)	(11)	-	-
Proceeds from issuance of ordinary shares	12	31,261	-	31,261	-
Ordinary shares issuance expenses	12	(472)	-	(472)	-
Net repayments of short term borrowings	14(j)	(11,905)	(3,115)	-	-
Payments of lease liabilities	6	(221)	(276)	-	-
Net cash from/(used in) financing activities		18,649	(3,402)	30,789	-
Net increase/(decrease) in cash and cash equivalents		17,665	(72)	3,422	-
Cash and cash equivalents at beginning of financial year/date of incorporation		8,214	8,286	*	*
Effect of exchange rate changes		5	*	-	-
Cash and cash equivalents at end of financial year	11(e)	25,884	8,214	3,422	*

* Amount is less than RM1,000.

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

1. CORPORATE INFORMATION

YX Precious Metals Bhd (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

Both Bursa Malaysia Securities Berhad (“Bursa Securities”) and Securities Commission had vide their letters dated 13 January 2022 and 15 February 2022 respectively, approved the admission of the Company to the Official List of Bursa Securities and the listing of and quotation for the entire issued share capital of the Company on the ACE Market of Bursa Securities. The ordinary shares of the Company were listed on the ACE Market of Bursa Securities on 23 June 2022.

The registered office of the Company is located at SO-26-02, Menara 1, No. 3 Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur.

The principal place of business of the Company is located at No. 23, Jalan 2/131A, Project Jaya Industrial Estate, Batu 6, Jalan Kelang Lama, 58200 Kuala Lumpur.

The immediate holding company is Tomei Consolidated Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The ultimate holding company is Teck Fong Corporation Sdn. Bhd., a company incorporated in Malaysia.

The consolidated financial statements for the financial year ended 31 December 2022 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 3 April 2023.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 29.1 to the financial statements.

In the previous financial year, the Group applied merger method of accounting on a retrospective basis arising from the acquisition of the entire equity interest of Yi Xing Goldsmith Sdn Bhd (“YXG”), Gemas Precious Metals Industries Sdn Bhd (“GPM”), GPM Refinery Sdn Bhd (“GRSB”) and Emas Assayer Sdn Bhd (“EASB”) by the Company in business combination under common control. Consequently, the Group presented comparative financial information as if the business combination had taken place before the start of the earliest period presented in the financial statements.

3. BASIS OF PREPARATION (continued)

Consequently, the following accounting treatment has been applied in the consolidated financial statements arising from the business combination under common control.

- (a) Assets and liabilities of YXG, GPM, GRSB and EASB were recognised and measured at their pre-business combination carrying amount without restatement to fair value;
- (b) Retained earnings and other equity reserves of the Group as at 1 January 2021 are those of YXG, GPM, GRSB and EASB; and
- (c) Share capital as at 1 January 2021 reflects the share capital of YXG, GPM, GRSB and EASB prior to the incorporation of the Company.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

4. OPERATING SEGMENTS

The Company is an investment holding company and its subsidiaries are principally engaged in wholesale, design and manufacture of gold jewellery and other related products and services.

The Group has two (2) reportable segments that are based on information reported internally to the Group Managing Director. The reportable segments are summarised as follows:

- (a) Wholesale
- (b) Design and manufacture

The Group evaluates the operating segments' performance on the basis of profit or loss before tax.

Inter-segment revenue is priced at arm's length and on terms not more favourable than sales to external customers and is eliminated in the consolidated financial statements.

Segment assets exclude tax assets used primarily for corporate purpose.

Segment liabilities exclude tax liabilities are allocated to the segments based on relevant factors. Details are provided in the reconciliations of segment assets and liabilities to the Group's position.

2022	Wholesale RM'000	Design and manufacture RM'000	Total RM'000
Revenue			
Total revenue	276,661	42,644	319,305
Inter-segment sales	(8,068)	(13,195)	(21,263)
Revenue from external customers	268,593	29,449	298,042

4. OPERATING SEGMENTS (continued)

2022	Wholesale RM'000	Design and manufacture RM'000	Total RM'000
Finance costs	472	129	601
Depreciation of property, plant and equipment	48	397	445
Depreciation of right-of-use assets	145	104	249
Segment profit before tax	10,507	2,712	13,219
Tax expense	3,202	616	3,818
Other material non-cash items:			
- Gain on disposal of property, plant and equipment	(20)	-	(20)
- Impairment losses on trade and other receivables	55	3	58
- Reversal of impairment loss on trade and other receivables	(138)	(2)	(140)
- Net unrealised loss on foreign exchange	-	4	4
Capital expenditure	14	2,182	2,196
Segment assets	80,270	26,757	107,027
Segment liabilities	4,285	3,055	7,340

2021	Wholesale RM'000	Design and manufacture RM'000	Total RM'000
Revenue			
Total revenue	258,858	20,685	279,543
Inter-segment sales	(3,458)	(10,701)	(14,159)
Revenue from external customers	255,400	9,984	265,384
Finance costs	702	147	849
Depreciation of property, plant and equipment	40	266	306
Depreciation of right-of-use assets	101	94	195
Segment profit before tax	6,107	3,183	9,290

4. OPERATING SEGMENTS (continued)

2021	Wholesale RM'000	Design and manufacture RM'000	Total RM'000
Tax expense	1,453	733	2,186
Other material non-cash items:			
- Gain on disposal of property, plant and equipment	(93)	(263)	(356)
- Impairment losses on trade and other receivables	121	2	123
- Reversal of impairment loss on trade and other receivables	(45)	(1)	(46)
Capital expenditure	478	1,221	1,699
Segment assets	55,932	23,879	79,811
Segment liabilities	15,304	4,588	19,892

(a) Total revenue for wholesale segment includes sales of scrap and pure gold bars amounted to RM7,785,000 (2021:RM6,537,000).

(b) Total revenue for design and manufacture segment includes manufacturing of silver chains and provisions of refining services for precious metals amounted to RM620,000 (2021:RM677,000) and RM122,000 (2021:RM91,000) respectively.

Reconciliations of reportable segment, profits, assets and liabilities to the corresponding amounts of the Group are as follows:

	1.1.2022 to 31.12.2022 RM'000	1.1.2021 to 31.12.2021 RM'000
Profit for the financial year		
Total profit for reportable segment	16,358	9,290
Elimination of inter-segmental profits	(3,139)	-
Profit before tax	13,219	9,290
Tax expense	(3,818)	(2,186)
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	9,401	7,104

4. OPERATING SEGMENTS (continued)

	2022 RM'000	2021 RM'000
Assets		
Total assets for reportable segments	107,027	79,811
Deferred tax assets	38	61
Current tax assets	28	*
Assets of the Group per consolidated statement of financial position	107,093	79,872
Liabilities		
Total liabilities for reportable segments	7,340	19,892
Deferred tax liabilities	251	67
Current tax liabilities	112	713
Liabilities of the Group per consolidated statement of financial position	7,703	20,672

* Amount less than RM1,000.

Geographical information

The Group operates predominantly in Malaysia. As such, geographical information is not presented.

Major customers

The following is a major customer with revenue equal or more than ten percent (10%) of revenue of the Group:

	2022 RM'000	2021 RM'000
Customer A	41,128	-

5. PROPERTY, PLANT AND EQUIPMENT

Group 2022	Balance as at 1 January RM'000	Additions RM'000	Reclassification RM'000	Written off RM'000	Disposal RM'000	Depreciation charge for the financial year RM'000	Balance as at 31 December RM'000
Carrying amount							
Computer equipment	179	54	-	-	-	(61)	172
Electrical installation, tools & equipment	53	124	-	-	-	(26)	151
Motor vehicles	1	-	-	-	#	(1)	-
Office equipment, furniture and fittings	249	72	-	-	-	(62)	259
Plant and machineries	810	1,925	466	#	-	(258)	2,943
Renovation	128	21	-	-	-	(35)	114
Signboard	8	-	-	-	-	(2)	6
Capital work-in-progress	466	-	(466)	-	-	-	-
	1,894	2,196	-	-	#	(445)	3,645

<----- At 31 December 2022 ----->

	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Computer equipment	622	(450)	172
Electrical installation, tools & equipment	588	(437)	151
Motor vehicles	319	(319)	-
Office equipment, furniture and fittings	903	(644)	259
Plant and machineries	8,999	(6,056)	2,943
Renovation	671	(557)	114
Signboard	10	(4)	6
	12,112	(8,467)	3,645

Motor vehicles with nil carrying amount were disposed off. Computer equipment, office equipment, furniture and fittings and plant and machineries with nil carrying amount were written off.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2021	Balance as at 1 January RM'000	Additions RM'000	Reclassification from right-of-use assets (Note 6) RM'000	Written off RM'000	Disposal RM'000	Depreciation charge for the financial year RM'000	Balance as at 31 December RM'000
Carrying amount							
Computer equipment	145	83	-	-	-	(49)	179
Electrical installation, tools & equipment	15	51	-	-	-	(13)	53
Motor vehicles	2	-	129	-	(129)	(1)	1
Office equipment, furniture and fittings	45	232	-	-	-	(28)	249
Plant and machineries	809	199	-	-	#	(198)	810
Renovation	34	109	-	#	-	(15)	128
Signboard	10	-	-	-	-	(2)	8
Capital work-in-progress	-	466	-	-	-	-	466
	1,060	1,140	129	-	(129)	(306)	1,894

<----- At 31 December 2021 ----->

	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Computer equipment	642	(463)	179
Electrical installation, tools & equipment	464	(411)	53
Motor vehicles	413	(412)	1
Office equipment, furniture and fittings	878	(629)	249
Plant and machineries	6,630	(5,820)	810
Renovation	650	(522)	128
Signboard	10	(2)	8
Capital work-in-progress	466	-	466
	10,153	(8,259)	1,894

Plant and machineries with nil carrying amount were disposed off and renovation with nil carrying amount were written off.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2022	Balance as at 1 January RM'000	Additions RM'000	Depreciation charge for the financial year RM'000	Balance as at 31 December RM'000
Carrying amount				
Computer equipment	9	1	(2)	8
Office equipment, furniture and fittings	10	-	(2)	8
Renovation	4	-	(1)	3
	23	1	(5)	19

<----- At 31 December 2022 ----->

	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Computer equipment	11	(3)	8
Office equipment, furniture and fittings	11	(3)	8
Renovation	4	(1)	3
	26	(7)	19

Company 2021	Balance as at 11 January RM'000	Additions RM'000	Depreciation charge for the financial year RM'000	Balance as at 31 December RM'000
Carrying amount				
Computer equipment	-	10	(1)	9
Office equipment, furniture and fittings	-	11	(1)	10
Renovation	-	4	*	4
	-	25	(2)	23

<----- At 31 December 2021 ----->

	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Computer equipment	10	(1)	9
Office equipment, furniture and fittings	11	(1)	10
Renovation	4	*	4
	25	(2)	23

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) Each class of property, plant and equipment are measured after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses.

Capital work-in-progress represents machinery under installation and is stated at cost. Capital work-in-progress is not depreciated until such time when the asset is available for use.

Depreciation is calculated to write off the cost of the assets to their residual value on a straight line basis over their estimated useful lives at the following annual depreciation rates:

Computer equipment	20%
Electrical installation, tools & equipment	20%
Motor vehicles	20%
Office equipment, furniture and fittings	20%
Plant and machineries	10%
Renovation	20%
Signboard	20%

Changes in the expected level of usage and technological developments could impact the economic useful lives or the annual rates of depreciation and the residual values of these assets and therefore, future depreciation charges could be revised.

6. LEASES

Right-of-use assets

Group 2022	Balance as at 1 January RM'000	Remeasurement RM'000	Depreciation RM'000	Balance as at 31 December RM'000
Carrying amount				
Office space	229	340	(104)	465
Motor vehicles under hire purchase	467	-	(145)	322
	696	340	(249)	787

Lease liabilities

	Balance as at 1 January RM'000	Remeasurement RM'000	Lease payments RM'000	Interest expense RM'000	Balance as at 31 December RM'000
Carrying amount					
Office space	240	340	(117)	13	476
Motor vehicles under hire purchase	349	-	(118)	14	245
	589	340	(235)	27	721

6. LEASES (continued)

Right-of-use assets

Group 2021	Balance as at 1 January RM'000	Additions RM'000	Depreciation RM'000	Reclassification to property, plant and equipment (Note 5) RM'000	Balance as at 31 December RM'000
Carrying amount					
Office space	139	184	(94)	-	229
Motor vehicles under hire purchase	322	375	(101)	(129)	467
	461	559	(195)	(129)	696

Lease liabilities

	Balance as at 1 January RM'000	Additions RM'000	Lease payments RM'000	Early settlement RM'000	Interest expense RM'000	Balance as at 31 December RM'000
Carrying amount						
Office space	141	184	(110)	-	25	240
Motor vehicles under hire purchase	248	261	(177)	6	11	349
	389	445	(287)	6	36	589

6. LEASES (continued)

Represented by:

	Group	
	2022 RM'000	2021 RM'000
Current liabilities	199	203
Non-current liabilities	522	386
	<u>721</u>	<u>589</u>
Lease liabilities owing to financial institutions	245	349
Lease liabilities owing to non-financial institutions	476	240
	<u>721</u>	<u>589</u>

- (a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Office space	4 years
Motor vehicles under hire purchase	5 years

- (b) The Group has certain leases of office and retail space with lease term of 12 months or less, and low value leases of RM5,000 and below. The Group applies the “short-term lease” and “lease of low-value assets” exemptions for these leases.

- (c) The following are the amounts recognised in profit or loss:

	Group	
	2022 RM'000	2021 RM'000
Depreciation charge of right-of-use assets (included in administrative expenses)	249	195
Interest expense on lease liabilities (included in finance costs)	27	36
Lease payments on short-term leases (included in cost of sales and administrative expenses)	355	288
Lease payments on low-value asset leases (included in administrative expenses)	9	8
	<u>640</u>	<u>527</u>

6. LEASES (continued)

(d) The following are total cash outflows for leases as a lessee:

	Group 2022 RM'000	2021 RM'000
Included in net cash from operating activities:		
Payment relating to short-term leases and low value assets	364	296
Interest paid in relation to lease liabilities	27	36
Included in net cash from investing activities:		
Purchase of right-of-use assets	-	114
Included in net cash from financing activities:		
Payment of lease liabilities	221	276
Lease interest paid	14	11
Total cash outflows for leases	<u>626</u>	<u>733</u>

(e) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group that are exposed to interest rate risk:

Group 31 December 2022	Weighted average incremental borrowing rate per annum %	Within one (1) year RM'000	Later than one (1) year but not later than five (5) years RM'000	Total RM'000
Lease liabilities				
Fixed rate	4.80%	105	140	245
Floating rate	6.00%	94	382	476
31 December 2021				
Lease liabilities				
Fixed rate	4.80%	104	245	349
Floating rate	6.00%	99	141	240

(f) The table below summarises the maturity profile of the lease liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group 31 December 2022	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	Total RM'000
Lease liabilities	234	572	806
31 December 2021			
Lease liabilities	228	409	637

6. LEASES (continued)

(g) A reconciliation of liabilities arising from financing activities is as follows:

	Group	
	2022	2021
	RM'000	RM'000
At 1 January	589	389
Cash flows		
- Payments of lease liabilities	(221)	(276)
- Payments of lease interest	(14)	(11)
Non-cash changes		
- Additions	-	445
- Remeasurement	340	-
- Interest expenses	27	36
- Loss on early settlement	-	6
At 31 December	<u>721</u>	<u>589</u>

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022	2021
	RM'000	RM'000
Unquoted shares - at cost	53,100	-
Equity loan to a subsidiary	26,500	-
	<u>79,600</u>	<u>-</u>

Investment in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

Management reviews the investments in subsidiaries for impairment when there is an indication of impairment.

The recoverable amounts of the investments in subsidiaries are assessed by reference to the higher of the fair values less cost to sell of the underlying assets or the value in use of the respective subsidiaries.

Estimating a value in use requires management to make an estimate of the expected future cash flows to be derived from continuing use of the asset and from its ultimate disposal, expectations about possible variations in the amount, timing of those cash flows, the time value of money, price for inherent uncertainty risk and other relevant factors.

7. INVESTMENTS IN SUBSIDIARIES (continued)

(a) Acquisition of subsidiaries

On 18 August 2021, the Company entered into a conditional share sale and purchase agreement to acquire the entire issued share capital of EASB, GPM, GRSB and YXG, respectively from Tomei Consolidated Berhad ("Tomei") for a total purchase consideration of RM52,100,398, satisfied via the issuance of 260,501,990 new ordinary shares in the Company ("Share(s)") to Tomei at RM0.20 per Share ("Acquisitions").

The Company had on 29 March 2022, allotted 260,501,990 new Shares to Tomei pursuant to the Acquisitions. The Acquisitions were completed on 12 April 2022 and EASB, GPM, GRSB and YXG became a wholly-owned subsidiary of the Company.

The Company had on 25 July 2022 subscribed for additional 999,998 new ordinary shares in its wholly owned subsidiary GPM Refinery Sdn. Bhd. for a cash Consideration of RM999,998.

(b) The details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective Equity Interest		Principal activities
		2022	2021	
<u>Direct subsidiaries</u>		%	%	
Yi Xing Goldsmith Sdn. Bhd. (“YXG”)	Malaysia	100	-	Wholesale of gold jewellery and other related products and services
Gemas Precious Metals Industries Sdn. Bhd. (“GPM”)	Malaysia	100	-	Design and manufacture of gold jewellery and other related products and services
GPM Refinery Sdn. Bhd. (“GRSB”)	Malaysia	100	-	Provision of refining services for precious metals
Emas Assayer Sdn. Bhd. (“EASB”)	Malaysia	100	-	Dormant

(c) Equity loan to a subsidiary

Equity loan to a subsidiary, which is unsecured, interest-free and the subsidiary has the unconditional right to avoid settlement of the loan in cash, and is considered to be part of the investments of the Company in providing the subsidiary with a long term source of additional capital.

Impairment for equity loan to a subsidiary is recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 10(e) to the financial statements.

No expected credit loss is recognised arising from equity loans to subsidiary of the Company as it is negligible.

8. DEFERRED TAX

- (a) The deferred tax assets and liabilities are made up of the following:

	Group	
	2022 RM'000	2021 RM'000
Balance as at 1 January	6	15
Recognised in profit or loss		
- current year	171	(10)
- prior years	36	1
	<u>213</u>	<u>6</u>
Balance as at 31 December	<u>213</u>	<u>6</u>
Presented after appropriate offsetting:		
Deferred tax assets, net	<u>(38)</u>	<u>(61)</u>
Deferred tax liabilities, net	<u>251</u>	<u>67</u>

- (b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

	Company	
	2022 RM'000	2021 RM'000
Deferred tax assets		
Balance as at 1 January	(61)	(58)
Recognised in profit or loss		
Property, plant and equipment	23	(3)
	<u>(38)</u>	<u>(61)</u>
Deferred tax assets as at 31 December, net	<u>(38)</u>	<u>(61)</u>
Deferred tax liabilities		
Balance as at 1 January	67	73
Recognised in profit or loss		
Property, plant and equipment	181	9
Other taxable temporary differences	3	(15)
	<u>184</u>	<u>(6)</u>
Deferred tax liabilities as at 31 December, net	<u>251</u>	<u>67</u>

8. DEFERRED TAX (continued)

- (c) The components of deferred tax assets and liabilities as at the end of each reporting period comprise the tax effects of:

	Group	
	2022 RM'000	2021 RM'000
Deferred tax assets		
Property, plant and equipment	(38)	(61)
Deferred tax liabilities		
Property, plant and equipment	308	127
Other taxable temporary differences	(57)	(60)
	251	67

- (d) The amount of temporary differences for which no deferred tax assets have been recognised in the statement of financial position is as follows:

	Group	
	2022 RM'000	2021 RM'000
Other deductible temporary differences	7	-
Unused tax losses:		
- Expires by 31 December 2028	2	2
- Expires by 31 December 2032	48	-
	57	2

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised. Unutilised tax losses can be carried forward up to 10 consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the local tax authorities.

9. INVENTORIES

	Group	
At cost	2022 RM'000	2021 RM'000
Finished goods	30,714	20,815
Work-in-process	13,372	16,469
Raw material	19,261	10,660
Consumables	406	433
	63,753	48,377

9. INVENTORIES (continued)

	Group	
	2022 RM'000	2021 RM'000
At net realisable value		
Finished goods	399	536
Work-in-progress	176	176
	<u>575</u>	<u>712</u>
	<u>64,328</u>	<u>49,089</u>

- (a) Cost is determined on a weighted average basis or specific identification as appropriate and comprises the original cost of purchase plus the cost of bringing the inventories to their present location and condition.
- (b) Cost of inventories of the Group recognised as cost of sales during the financial year amounted to RM273,278,000 (2021: RM243,107,000).

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade receivables				
Third parties	10,109	15,420	-	-
Less: Impairment losses	<u>(363)</u>	<u>(446)</u>	<u>-</u>	<u>-</u>
	<u>9,746</u>	<u>14,974</u>	<u>-</u>	<u>-</u>
Other receivables and deposits				
Other receivables	116	556	-	-
Deposits	399	1,589	-	-
	515	2,145	-	-
Less: Impairment losses	<u>(63)</u>	<u>(62)</u>	<u>-</u>	<u>-</u>
	<u>452</u>	<u>2,083</u>	<u>-</u>	<u>-</u>
Total current receivables, net of prepayments	10,198	17,057	-	-
Prepayments	<u>2,185</u>	<u>2,222</u>	<u>178</u>	<u>1,204</u>
Total trade and other receivables	<u>12,383</u>	<u>19,279</u>	<u>178</u>	<u>1,204</u>

- (a) Total receivables excluding prepayments are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 7 to 90 days (2021: 7 to 90 days) from date of invoice. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

10. TRADE AND OTHER RECEIVABLES (continued)

(c) The currency exposure profile of trade and other receivables (exclude prepayments) are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Ringgit Malaysia ('RM')	10,141	16,873	-	-
United States Dollar ('USD')	57	55	-	-
Singapore Dollar ('SGD')	-	119	-	-
Others	-	10	-	-
	<u>10,198</u>	<u>17,057</u>	<u>-</u>	<u>-</u>

(d) The following table demonstrates the sensitivity of the profit after tax of the Group to a reasonably possible change in the USD and SGD exchange rates against the functional currency of the Group, with all other variables held constant.

		Group	
Profit after tax		2022 RM'000	2021 RM'000
USD/RM	-strengthen by 5%	+2	+2
	-weaken by 5%	-2	-2
SGD/RM	-strengthen by 5%	-	+5
	-weaken by 5%	-	-5

Any change in other foreign currencies exchange rates against the respective functional currencies of the Group entities would not have any significant impact to the Group's financial statements.

(e) Impairment loss

Trade Receivables

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, and available press information about customers) and applying significant judgement in determining the probability of default by trade receivables. Credit risk grades are defined by management using qualitative and quantitative factors that are indicative of the risk of default.

Exposures within each credit risk grade are segmented by customers' characteristic and an expected credit loss ("ECL") rate is calculated for each segment based on delinquency status and actual credit loss experience over the past years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of forward looking information relating to conditions i.e. Gross Domestic Product ("GDP"), inflation rate and unemployment rate, over the expected lives of the receivables.

10. TRADE AND OTHER RECEIVABLES (continued)

(e) Impairment loss (continued)

Lifetime expected loss provision for trade receivables of the Group are as follows:

Group Customers' characteristics	Weighted-average expected credit loss rate	2022		2021	
		Gross carrying amount RM'000	Impairment loss allowance RM'000	Gross carrying amount RM'000	Impairment loss allowance RM'000
Low risk	0.01%	2,056	*	2,319	*
Fair risk	1.50%	3,125	46	7,179	108
Substandard	2.00%	4,648	93	5,638	115
Doubtful	5.00%	59	3	64	3
Loss	100%	221	221	220	220
		10,109	363	15,420	446

* Amount less than RM1,000.

Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

Other receivables

For other receivables, the Group and the Company apply general approach to measure expected credit losses which reflect their credit risk and how the loss allowance is determined. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. The Group and the Company defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment delays and past due information. The Group and the Company assessed the other receivables as performing category with a low risk of default and a strong capacity to meet contractual cash flows. The basis of measuring ECL are based on 12-month ECL.

(f) The reconciliation of movement in the impairment losses is as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade receivables				
Lifetime ECL				
At 1 January	446	372	-	-
Impairment losses	55	120	-	-
Reversal of impairment losses	(138)	(46)	-	-
At 31 December	363	446	-	-

10. TRADE AND OTHER RECEIVABLES (continued)

(f) The reconciliation of movement in the impairment losses is as follows: (continued)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Other receivables				
12-month ECL				
At 1 January	62	59	-	-
Impairment losses	3	3	-	-
Reversal of impairment losses	(2)	-	-	-
At 31 December	63	62	-	-

(g) The Group has no major concentration of credit risk as at 31 December 2022 and the exposure to credit risk is reflected in the carrying amount of the trade receivables as at the end of the reporting period as follows:

	Group	
	2022	2021
	RM'000	RM'000
Maximum exposure	9,746	14,974

(h) The carrying amounts of trade and other receivables are reasonable approximation of fair value due to their short-term nature.

11. CASH AND BANK BALANCES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	25,884	8,853	3,422	*

* Amount less than RM1,000

(a) Cash and bank balances are classified as financial assets measured at amortised cost.

(b) The exposure to interest rate risk is insignificant as the cash and bank balances are short term in nature and are held for the Group's working capital purposes.

No expected credit losses are recognised arising from the bank balances with financial institutions because the probability of default by these financial institutions are negligible.

11. CASH AND BANK BALANCES (continued)

(c) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
RM	25,671	8,759	3,422	*
USD	5	5	-	-
SGD	206	87	-	-
Others	2	2	-	-
	<u>25,884</u>	<u>8,853</u>	<u>3,422</u>	<u>*</u>

* Amount less than RM1,000

(d) The following table demonstrates the sensitivity of the profit after tax of the Group to a reasonably possible change in the USD and SGD exchange rates against the functional currency of the Group, with all other variables held constant:

		Group	
		2022	2021
		RM'000	RM'000
Profit after tax			
USD/RM	-strengthen by 5%	+1	+1
	-weaken by 5%	-1	-1
SGD/RM	-strengthen by 5%	+8	+3
	-weaken by 5%	-8	-3

(e) Any change in other foreign currencies exchange rates against the respective functional currencies of the Group entities would not have any significant impact to the Group's financial statements.

Cash and cash equivalents included in the statements of cash flows of the Group and of the Company comprise the following amounts as at the end of each reporting period:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	25,884	8,853	3,422	*
Bank overdrafts (Note 14)	-	(639)	-	-
	<u>25,884</u>	<u>8,214</u>	<u>3,422</u>	<u>*</u>

* Amount less than RM1,000

12. SHARE CAPITAL/INVESTED EQUITY

	Group		Company	
	Number of shares '000	RM'000	Number of shares '000	RM'000
2022				
Issued and fully paid-up ordinary shares with no par value				
Balance as at 1 January	17,600	17,600	*	*
Effect of business combination under common control: - elimination of subsidiaries' share capital	(17,600)	(17,600)	-	-
Issuance of ordinary shares pursuant to acquisition of subsidiaries	260,502	52,100	260,502	52,100
	242,902	34,500	260,502	52,100
Issuance of ordinary shares pursuant to Initial Public Offering	111,648	31,261	111,648	31,261
Ordinary shares issuance expenses	-	(472)	-	(472)
Balance as at 31 December	372,150	82,889	372,150	83,889
2021				
Balance as at 1 January/11 January (date of incorporation)/31 December				
Issued and fully paid with no par value	17,600	17,600	*	*

* Amount less than 1,000 or RM1,000

The Company was incorporated on 11 January 2021 with an issued share capital of RM2 comprising 2 ordinary shares as subscriber's shares. On 14 April 2021, the 2 ordinary shares at an issue price of RM1 each in the capital of the Company be subdivided into 10 ordinary shares of RM0.20 each.

On 18 August 2021, the Company entered into a conditional share sale and purchase agreement to acquire the entire issued share capital of EASB, GPM, GRSB and YXG, respectively from Tomei Consolidated Berhad ("Tomei") for a total purchase consideration of RM52,100,398, to be satisfied via the issuance of 260,501,990 new ordinary shares in the Company ("Share(s)") to Tomei at RM0.20 per Share ("Acquisitions").

The Company had on 29 March 2022, allotted 260,501,990 new Shares to Tomei pursuant to the Acquisitions. The Acquisitions was completed on 12 April 2022 and EASB, GPM, GRSB and YXG became a wholly-owned subsidiary of the Company.

12. SHARE CAPITAL/INVESTED EQUITY (continued)

On 23 June 2022, the Company had undertaken an initial public offering (“IPO”) comprising the public issue of 111,648,000 new Shares at an IPO price of RM0.28 in conjunction with the Company’s listing on the ACE Market of Bursa Securities. The listing of and quotation for the entire enlarged issued share capital of RM83,361,840 comprising 372,150,000 shares on the ACE Market of Bursa Securities were completed on 23 June 2022.

The owners of the Company is entitled to receive dividends as and when declared by the Company and is entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

In the previous year financial year, the number of ordinary shares and share capital of the Group were on a combined basis as explained in Note 3 to the financial statements.

13. RESERVES

	Group		Company	
	2022 RM’000	2021 RM’000	2022 RM’000	2021 RM’000
Merger reserve	(34,500)	-	-	-
Retained earnings	51,001	41,600	92	(87)
	<u>16,501</u>	<u>41,600</u>	<u>92</u>	<u>(87)</u>

- (a) The Group has applied the merger method of accounting as all the entities within the Group are under common control before and after the acquisition of EASB, GPM, GRSB and YXG.

Under the merger method of accounting, the retained earnings and other equity balances of the Group immediately before and after the combination and the results from the beginning of the accounting period to the date of the combination are those of EASB, GPM, GRSB and YXG.

- (b) The merger reserve arose from the pooling of interest method of accounting used on consolidation of the Group. The merger reserve represents the difference between the amount recorded as the cost of investments, which comprised the share capital issued by the Company and the nominal value of share capital of the subsidiaries.

	2022 RM’000
Cost of investments	52,100
Less: Nominal value of shares in subsidiaries	<u>(17,600)</u>
	<u>34,500</u>

14. BORROWINGS

	Group	
	2022 RM'000	2021 RM'000
Current liabilities		
Unsecured		
Bankers' acceptances	4,765	10,670
Bank overdrafts	-	639
Revolving credit	-	6,000
Total borrowings	4,765	17,309

- (a) Borrowings are classified as financial liabilities and are measured at amortised cost.
- (b) The bankers' acceptances, bank overdrafts, and revolving credit are either guaranteed by its immediate holding company or its subsidiaries.
- (c) All borrowings are denominated in RM.
- (d) Significant covenants

Borrowings of the Group are subject to the following significant covenants:

- (i) not to permit the declaration of dividend in excess of 50% of the net profit after tax of the Group unless with the consent of the financial institution; and
- (ii) not to permit a debt service ratio of the Group to less than two point five (2.5) times.

The Group has complied with these externally imposed capital requirements as at the end of reporting period.

- (e) At the end of the reporting period, all loans and borrowings were on floating rate.
- (f) At the end of reporting period, the weighted average effective interest rates for the loans and borrowings were as follows:

	Group	
	2022	2021
Floating rates		
Bank overdrafts	-	6.89%
Bankers' acceptances	4.82%	3.88%
Revolving credits	-	5.95%

- (g) The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of each reporting period changed by twenty-five (25) basis points with all other variables held constant:

	Group	
	2022 RM'000	2021 RM'000
Profit after tax		
- Increased by 25 basis points	-9	-33
- Decreased by 25 basis points	+9	+33

14. BORROWINGS (continued)

- (h) The table below summarises the maturity profile of the liabilities of the Group at the end of each reporting period based on contractual undiscounted repayment obligations:

	On demand or within one year RM'000	Total RM'000
2022		
Financial liabilities:		
Borrowings	4,765	4,765
2021		
Financial liabilities:		
Borrowings	17,309	17,309

- (i) The carrying amounts of borrowings are reasonable approximation of fair value due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates or near the end of the reporting period.
- (j) A reconciliation of liabilities arising from financing activities is as follows:

Group	Banker' acceptance RM'000	Revolving credits RM'000
At 1 January 2022	10,670	6,000
Cash flows from financing activities	(5,905)	(6,000)
At 31 December 2022	4,765	-
At 1 January 2021	11,485	8,300
Cash flows from financing activities	(815)	(2,300)
At 31 December 2021	10,670	6,000

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade payables				
Third parties	752	1,192	-	-
Other payables				
Amounts owing to related companies	-	-	-	1,228
Other payables	162	170	29	1
Deposits	19	19	-	-
Accruals	921	613	209	85
	<u>1,102</u>	<u>802</u>	<u>238</u>	<u>1,314</u>
Total trade and other payables	<u>1,854</u>	<u>1,994</u>	<u>238</u>	<u>1,314</u>

- (a) Trade and other payables are classified as financial liabilities and are measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 180 days (2021: 30 to 180 days) from date of invoice.
- (c) The non-trade amounts owing to related companies represent advances and payments made on behalf, which are unsecured, interest free and repayable within the next twelve months.
- (d) The maturity profile of trade and other payables of the Group and of the Company at the reporting date based on contractual undiscounted repayment obligations are repayable on demand or within one year.
- (e) The carrying amounts of trade and other payables are reasonable approximation of fair value due to their short-term nature.
- (f) The currency exposure profile of payables are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
RM	1,844	1,994	238	1,314
USD	7	-	-	-
Others	3	-	-	-
	<u>1,854</u>	<u>1,994</u>	<u>238</u>	<u>1,314</u>

- (g) The sensitivity analysis for foreign currency risk for trade and other payables is not disclosed as it is immaterial to the Group.

16. REVENUE

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	1.1.2021 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	11.1.2021 to 31.12.2021 RM'000
Revenue from contracts with customers				
Sales of goods and services				
- Gold jewellery	289,480	258,088	-	-
- Other related products and services	8,562	7,296	-	-
Other revenue				
- Gross dividend income from subsidiaries	-	-	3,137	-
	<u>298,042</u>	<u>265,384</u>	<u>3,137</u>	<u>-</u>

(a) Revenue from contracts with customers is disaggregated in Note 4 to the financial statements by geographical area.

(b) Sales of goods and services rendered

Revenue from sale of products and services rendered is recognised at a point in time when the products have been transferred or the services have been rendered to the customers and coincide with the delivery of products and services and acceptance by customers.

There is no significant financing component in the revenue arising from sale of products and services rendered as the sales are made on the normal credit terms ranging from 7 to 90 days (2021: 7 to 90 days).

Other related products and services represent sales of scrap and pure gold bars, manufacture of silver chains and provision of refining services of precious metals.

(c) Dividend income

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

(d) The Group is exposed to the fluctuation of gold price risk arising from sales and purchase of gold with customers and suppliers. The Group continues to monitor the movements of gold price closely to ensure that the risk from gold price fluctuation is minimal.

(e) The following table demonstrates the sensitivity analysis of the Group if gold price at the end of each reporting period changes by 5% with all other variables held constant:

		Group	
		2022 RM'000	2021 RM'000
Profit after tax			
Gold price	- strengthen by 5%	+911	+903
	- weaken by 5%	<u>-911</u>	<u>-903</u>

17. FINANCE COSTS

	Group	
	1.1.2022 to 31.12.2022 RM'000	11.1.2021 to 31.12.2021 RM'000
Interest expense on:		
- bankers' acceptances	313	350
- bank overdrafts	25	54
- revolving credit	236	409
- lease liabilities	27	36
	<u>601</u>	<u>849</u>

18. PROFIT/(LOSS) BEFORE TAX

Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at profit/(loss) before tax:

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	1.1.2021 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	11.1.2021 to 31.12.2021 RM'000
Profit/(Loss) before tax is arrived at after charging:				
Auditors' remuneration				
- current year	65	23	34	1
- under provision in prior years	3	-	-	-
- non-statutory audit	227	-	225	-
Directors' fees	175	84	175	84
Net loss on foreign exchange:				
- realised	143	275	-	-
- unrealised	4	-	-	-
Rental expenses:				
- plant and equipment	9	8	-	-
- premises	355	288	-	-
And crediting:				
Interest income	51	*	-	-
Gain on disposal of property, plant and equipment	20	356	-	-
Net unrealised gain on foreign exchange	-	4	-	-
Realised gain on gold price fluctuation	<u>1,867</u>	<u>203</u>	<u>-</u>	<u>-</u>

* Amount is less than RM1,000.

^ Included non-statutory audit fees relating to the initial public offering and listing of the Company amounting to RM220,000.

18. PROFIT/(LOSS) BEFORE TAX (continued)

- (a) Interest income is recognised as it accrues, using the effective interest method.
- (b) Net gains and losses arising from financial instruments are as follows:

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	1.1.2021 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	11.1.2021 to 31.12.2021 RM'000
Net gains/(losses) on:				
Financial assets at amortised cost	133	(77)	-	-
Financial liabilities at amortised cost	(601)	(849)	-	-
	<u>(468)</u>	<u>(926)</u>	<u>-</u>	<u>-</u>

19. TAX EXPENSE

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	1.1.2021 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	11.1.2021 to 31.12.2021 RM'000
Current income tax expense based on profit for the financial year:				
- current year	3,640	2,220	-	-
- over provision in prior years	(29)	(25)	-	-
	<u>3,611</u>	<u>2,195</u>	<u>-</u>	<u>-</u>
Deferred tax (Note 8)				
- relating to origination and reversal of temporary differences	171	(10)	-	-
- under recognition in prior years	36	1	-	-
	<u>207</u>	<u>(9)</u>	<u>-</u>	<u>-</u>
	<u>3,818</u>	<u>2,186</u>	<u>-</u>	<u>-</u>

- (a) Malaysian income tax is calculated at the statutory tax rate of twenty-four percent (24%) (2021: 24%) of the estimated taxable profit for the fiscal year.

19. TAX EXPENSE (continued)

- (b) The numerical reconciliation between the effective tax rate and the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	1.1.2022 to 31.12.2022 %	1.1.2021 to 31.12.2021 %	1.1.2022 to 31.12.2022 %	11.1.2021 to 31.12.2021 %
Applicable tax rate	24.0	24.0	24.0	(24.0)
Tax effects in respect of:				
Non-allowable expenses	5.7	0.4	76.0	24.0
Non-taxable income	(1.0)	(0.5)	(100.0)	-
Movements in deferred tax assets not recognised	0.1	-	-	-
	28.8	23.9	-	-
(Over)/Under provision in prior years:				
- Current tax expense	(0.2)	(0.3)	-	-
- Deferred tax	0.3	-	-	-
Effective tax rate	28.9	23.6	-	-

20. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

	Group	
	2022	2021
Profit attributable to equity holders of the parent (RM'000)	9,401	7,104
Weighted average number of ordinary shares outstanding ('000)	252,018	17,600
Basic earnings per ordinary share (sen)	3.73	40.36

(b) Basic earnings per ordinary share

The diluted earnings per ordinary share equal the basic earnings per ordinary share as there were no dilutive potential ordinary shares throughout the reporting periods.

21. EMPLOYEE BENEFITS

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	1.1.2021 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	11.1.2021 to 31.12.2021 RM'000
Directors' emoluments*	509	597	10	-
Salaries, wages, overtime and allowances	4,395	3,856	-	-
Defined contribution plan	555	502	-	-
Bonus	268	293	-	-
Staff commissions	15	-	-	-
Other employee benefits	294	248	-	-
	<u>6,036</u>	<u>5,496</u>	<u>10</u>	<u>-</u>

* Represent emoluments for the Directors of the Company.

22. CAPITAL COMMITMENTS

Capital expenditure in respect of purchase of property, plant and equipment:

	Group	
	2022 RM'000	2021 RM'000
Approved but not contracted for	<u>5,623</u>	<u>300</u>

23. CONTINGENT LIABILITIES - UNSECURED

	Company	
	2022 RM'000	2021 RM'000
Corporate guarantees given to financial institutions for credit facilities granted to subsidiaries	<u>1,000</u>	<u>-</u>

The Company designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Company recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The determination and treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

The Directors are of the view that the likelihood of the financial institutions calling upon the corporate guarantees is remote. Accordingly, the fair values of the above corporate guarantees given to subsidiaries for banking facilities are negligible.

24. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group and the Company is to safeguard the ability of the Group and the Company to continue in operations as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain the optimal capital structure, the Group and the Company may, from time to time, adjust the dividend payout to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

For capital management purposes, the Group considers shareholders' equity, non-controlling interests and total debt to be the key components in the capital structure of the Group. The Group monitors capital on the basis of the net gearing ratio. The ratio is calculated as the total debt net of cash and bank balances to total equity. Total equity is the sum of total equity attributable to shareholders and non-controlling interests. The net gearing ratios as at 31 December 2022 and 31 December 2021, which are within the objectives of the Group for capital management, are as follows:

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Borrowings	14	4,765	17,309	-	-
Lease liabilities owing to financial institutions	6	245	349	-	-
Less: Cash and bank balances	11	(25,884)	(8,853)	(3,422)	*
Net (cash)/debt		<u>(20,874)</u>	<u>8,805</u>	<u>(3,422)</u>	<u>*</u>
Total equity		<u>99,390</u>	<u>59,200</u>	<u>82,981</u>	<u>(87)</u>
Net gearing ratio		#	15%	#	#

Not required as the Group and the Company are in net cash positions.

Pursuant to the requirements of Guidance Note No.3 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than or equals to twenty-five per centum (25%) of the issued and paid-up capital (excluding treasury shares) of the Company. The Company has complied with this requirement during the financial year ended 31 December 2022.

(b) Financial risk management

The financial risk management objectives of the Group are to optimise value creation for its shareholder whilst minimising the potential adverse impact arising from interest rate risk, foreign currency risk, credit risk, liquidity and cash flow risk and market price risk.

The financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the financial risk management policies of the Group. The exposure of the Group to financial risks and the management of the related exposures are as follows:

24. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(i) Interest rate risk

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

The Group is exposed to market risk for changes in interest rates related primarily to the bank borrowings. The Group does not use derivative financial instruments to hedge its interest rate risk.

The interest rate profile and sensitivity analysis of interest rate risk has been disclosed in Note 14 to the financial statements.

(ii) Foreign currency risk

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

Transactional currency exposures mainly arose from transactions that are denominated in currencies other than functional currency of the Company.

The sensitivity analysis for foreign currency risk has been disclosed in Notes 10, 11 and 15 to the financial statements respectively.

(iii) Credit risk

Cash deposits and trade receivables may give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. In order to manage this risk, it is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group and the Company have no major concentration of credit risk as at 31 December 2022 and 31 December 2021. The past experience of the Group in collection of trade receivables falls within the recorded allowances. The Directors believe that no additional credit risk beyond the amounts provided for impairment loss is inherent to the trade receivables of the Group.

The analysis of credit risk has been disclosed in Note 10 to the financial statements.

(iv) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating and financing needs are met. It is the policy of the Group to ensure its ability to service the cash obligations by maintaining a level of cash and cash equivalents deemed adequate to the operations of the Group. The Group also maintains flexibility in funding by keeping committed credit lines available.

The maturity profile of the liabilities of the Group at the end of each reporting period based on contractual undiscounted repayment obligations has been disclosed in Notes 6, 14 and 15 to the financial statements respectively.

(v) Market price risk

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

The sensitivity analysis of market price risk has been disclosed in Note 16 to the financial statements.

25. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

The Group has controlling related party relationship with its holding company and the direct and indirect subsidiaries of the holding company.

Related parties of the Group includes:

- (i) Tomei Consolidated Berhad, the immediate holding company.
- (ii) Direct subsidiaries of Tomei Consolidated Berhad are as follows:
 - 1. Tomei Gold & Jewellery Manufacturing Sdn. Bhd.
 - 2. Tomei Gold & Jewellery Holdings (M) Sdn. Bhd.
 - 3. TXG Financial Solutions Sdn. Bhd. (formerly known as YX Bullion Sdn. Bhd.)
 - 4. O M Design Sdn. Bhd.
- (iii) Companies in which certain directors have financial interests:
 - 1. Unique Avenue Sdn. Bhd. ("UASB")
 - 2. Oasis Properties Sdn. Bhd. ("Oasis Properties")
 - 3. Gexcel Asia Sdn. Bhd. ("Gexcel")
- (iv) Ong Tiong Yee & Sons Sdn. Bhd. ("OTY"), a company related by connected person - Ong Kee Liang, a director and shareholder of OTY, is the spouse of Ng Sheau Chyn, who is a director and shareholder of the Company.
- (v) Key management personnel who are defined as those persons having authority and responsibility of planning, directing and controlling activities of the Group either directly or indirectly. The key management personnel includes all the directors of the Group and certain members of the senior management of the Group.

(b) Significant related party transactions and balances

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and of the Company had the following transactions with related parties during the financial year:

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	1.1.2021 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	11.1.2021 to 31.12.2021 RM'000
Sales of goods to:				
Related companies:				
- Tomei Gold & Jewellery Holdings (M) Sdn. Bhd.	41,128	7,220	-	-
- Tomei Gold & Jewellery Manufacturing Sdn. Bhd.	3	21	-	-
- O M Design Sdn. Bhd.	-	3	-	-

25. RELATED PARTY DISCLOSURES (continued)

(b) Significant related party transactions and balances (continued)

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	1.1.2021 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	11.1.2021 to 31.12.2021 RM'000
Sales of goods to: (continued)				
Related parties:				
- OTY	654	651	-	-
- Gexcel	15	*	-	-
Purchase of goods from:				
Related companies:				
- Tomei Gold & Jewellery Holdings (M) Sdn. Bhd.	27,105	5,745	-	-
- Tomei Gold & Jewellery Manufacturing Sdn. Bhd.	3	-	-	-
- TXG Financial Solutions Sdn. Bhd.	-	72	-	-
Related party:				
- OTY	241	141	-	-
Purchase of manufacturing tools from:				
Related party:				
- Gexcel	124	95	-	-
Promotional and selling expenses paid to:				
Related companies:				
- Tomei Gold & Jewellery Holdings (M) Sdn. Bhd.	-	1	-	-
- Tomei Gold & Jewellery Manufacturing Sdn. Bhd.	2	-	-	-
Office rental paid to:				
Related parties:				
- UASB	-	9	-	-
- Oasis Properties	221	204	-	-
Server rental paid to:				
Related companies:				
- Tomei Gold & Jewellery Holdings (M) Sdn. Bhd.	3	-	3	-
Hedging cost on gold price fluctuations paid to:				
Related companies:				
- TXG Financial Solutions Sdn. Bhd.	99	-	-	-
Gross dividend income received from subsidiaries				
- YXG	-	-	2,925	-
- GPM	-	-	212	-

* Amount is less than RM1,000.

25. RELATED PARTY DISCLOSURES (continued)

(b) Significant related party transactions and balances (continued)

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

Information regarding outstanding balances arising from related party transactions as at 31 December 2022 and 31 December 2021 are disclosed in Note 15 to the financial statements respectively.

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group.

The remuneration of Directors and other members of key management during the financial years was as follows:

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	1.1.2021 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	11.1.2021 to 31.12.2021 RM'000
Directors' fees	175	84	175	84
Short term employee benefits	1,021	827	10	-
Contributions to defined contribution plan	120	99	-	-
	<u>1,316</u>	<u>1,010</u>	<u>185</u>	<u>84</u>

The estimated monetary value of benefits-in-kind received by the Director of the Group amounted to RM23,950 (2021: RM23,950).

26. DIVIDEND

The Directors proposed a first and final single tier dividend of 0.80 sen per ordinary share amounting to RM2,977,200 in respect of the financial year ended 31 December 2022, subject to the approval of shareholders at the forthcoming Annual General Meeting.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2023.

27. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 18 August 2021, the Company entered into a conditional Sales and Purchase Agreement to acquire the total equity interest in Yi Xing Goldsmith Sdn. Bhd., Gemas Precious Metals Industries Sdn. Bhd., Emas Assayer Sdn. Bhd. and GPM Refinery Sdn. Bhd. from Tomei Consolidated Berhad ("Tomei"), the immediate holding company, for a consideration of RM52.10 million to be satisfied via the issuance of 260,501,990 ordinary shares of RM0.20 each in the Company to Tomei.

The acquisitions of subsidiaries had been completed on 12 April 2022 in accordance with the terms and conditions of the SPA.

- (b) On 30 May 2022, the Company issued a prospectus in connection with the IPO and the Listing. The IPO involves the offering of 111,648,000 ordinary shares in the Company in conjunction with the listing of and quotation for the entire ordinary shares in the Company on the ACE Market of Bursa Malaysia Securities Berhad. The IPO and the Listing were completed on 23 June 2022.

28. COMPARATIVE FIGURES

The comparative figures of the Company covered for the financial period from 11 January 2021 (date of incorporation) to 31 December 2021. Consequently, the comparative figures for the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and their related notes are not comparable to that for the current 12-month period ended 31 December 2022.

29. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

29.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

Title	Effective Date
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022

Adoption of the above Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

29. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

29.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

Title	Effective date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendment to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for future financial years.

As at 31 December 2022, our Group does not own any properties.



SHARE CAPITAL

Total Number of Issued Shares : 372,150,000
 Class of Shares : Ordinary shares
 Voting Rights : One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 10 MARCH 2023

Size of shareholdings	No. of shareholders	Percentage of shares (%)	No. of shares	Percentage of shares (%)
Less than 100	3	0.14	50	0.00
100 to 1,000	299	13.47	140,300	0.04
1,001 to 10,000	929	41.86	5,717,050	1.53
10,000 to 100,000	849	38.26	28,348,800	7.62
100,001 to less than 5% of issued shares	138	6.22	77,441,800	20.81
5% and above of issued shares	1	0.05	260,502,000	70.00
TOTAL	2,219	100.00	372,150,000	100.00

DIRECTORS' SHAREHOLDINGS AS AT 10 MARCH 2023

No.	Names	Direct		Indirect	
		No. of Shares	Percentage of shares held (%)	No. of Shares	Percentage of shares held (%)
1	Puan Sri Nonadiah Binti Abdullah (Appointed on 28 February 2023)	325,200	0.09	-	-
2	Ng Sheau Chyn	71,800	0.02	271,603,000 ⁽ⁱ⁾	72.98
3	Tang Yow Sai	-	-	-	-
4	Aw Ee Leng	500,000	0.13	-	-
5	Wong Phait Lee	500,000	0.13	-	-
6	Datuk Ng Yih Pyng	100,000	0.03	271,603,000 ⁽ⁱ⁾	72.98

Note:

(i) Deemed interested by virtue of his/her shareholdings in Teck Fong Corporation Sdn Bhd and Tropical Bliss Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 10 MARCH 2023

No.	Names	Direct		Indirect	
		No. of Shares	Percentage of shares held (%)	No. of Shares	Percentage of shares held (%)
1	Tomei Consolidated Berhad	260,502,000	70.00	-	-
2	Teck Fong Corporation Sdn Bhd	8,476,000	2.28	260,502,000 ⁽ⁱ⁾	70.00
3	Tropical Bliss Sdn Bhd	2,625,000	0.71	260,502,000 ⁽ⁱ⁾	70.00
4	Datuk Ng Yih Pyng	100,000	0.02	271,603,000 ⁽ⁱⁱ⁾	72.98
5	Ng Sheau Chyn	71,800	0.03	271,603,000 ⁽ⁱⁱ⁾	72.98
6	Ng Sheau Yuen	47,600	0.01	271,603,000 ⁽ⁱⁱ⁾	72.98
7	Ng Yih Chen	-	-	271,828,000 ⁽ⁱⁱⁱ⁾	73.04

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 10 MARCH 2023 (continued)

- Notes:
- (i) Deemed interested by virtue of its shareholdings in Tomei Consolidated Berhad pursuant to Section 8 of the Companies Act, 2016 ("Act").
 - (ii) Deemed interested by virtue of his/her shareholdings in Teck Fong Corporation Sdn Bhd and Tropical Bliss Sdn Bhd pursuant to Section 8 of the Act.
 - (iii) Deemed interested by virtue of his shareholdings in Teck Fong Corporation Sdn Bhd, Tropical Bliss Sdn Bhd and the shares held by his daughters, Ng Yi Jie, Ng Yi Li and Ng Yi Min in the Company pursuant to Section 8 of the Act.

LIST OF TOP 30 SHAREHOLDERS

No.	Names	No. of Shares	Percentage of shares held (%)
1	TOMEI CONSOLIDATED BERHAD	260,502,000	70.00
2	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	10,247,400	2.75
3	TECK FONG CORPORATION SDN BHD	8,476,000	2.28
4	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK	6,040,800	1.62
5	AMANAHRAYA TRUSTEES BERHAD BENEFICIARY: AMANAH SAHAM BANK SIMPANAN NASIONAL	3,184,200	0.86
6	TROPICAL BLISS SDN BHD	2,625,000	0.71
7	AMANAHRAYA TRUSTEES BERHAD BENEFICIARY: BSN DANA DIVIDEN AL-IFRAH	2,307,100	0.62
8	LI HAIQUAN	1,350,000	0.36
9	AMANAHRAYA TRUSTEES BERHAD BENEFICIARY: BSN DANA AL-JADID	1,195,200	0.32
10	AMANAHRAYA TRUSTEES BERHAD BENEFICIARY: BSN DANA WAKAF AL-IKHLAS	1,193,400	0.32
11	KENANGA NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: RAKUTEN TRADE SDN BHD FOR NG SIAU MEN	1,150,000	0.31
12	CHEAH KOK WAI	1,050,000	0.28
13	CHOO LIP FAI	1,000,000	0.27
14	KL RADIANCE SDN. BHD.	1,000,000	0.27
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR BOEY CHEE KUN	1,000,000	0.27
16	TEO CHIANG HONG	1,000,000	0.27
17	TAN KAR PENG	950,000	0.26
18	LIAW CHOON LIANG	900,000	0.24
19	NICOLE XIAYI PUNG	900,000	0.24
20	HSBC NOMINEES (ASING) SDN BHD BENEFICIARY: J.P. MORGAN SECURITIES PLC	833,300	0.22
21	YAP HENG OR	800,000	0.21
22	MAYBANK SECURITIES NOMINEES(TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR FONG KOK SANG (STF)	700,000	0.19
23	NURHIDAYAT BIN MOHAMED SUPRI	687,600	0.18
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGED SECURITIES ACCOUNT FOR TEH BOON CHIEW	630,000	0.17
25	HO YIT LIN @ HO YUET LING	600,000	0.16
26	LEE KOK KENG	600,000	0.16
27	LOO EAN CHOO	600,000	0.16
28	MOHD MIRZA BIN MOHAMED NOOR	600,000	0.16
29	TANG SU BOON	525,000	0.14
30	AW EE LENG	500,000	0.13
Total		313,147,000	84.13

NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting of the Company will be held at the Dewan Berjaya, Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 10 May 2023 at 10.00 a.m. for the following purposes:-

1.	To receive the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2022 and the Reports of Directors' and Auditors' thereon.	(Please refer to explanatory note below)
2.	To approve the First and Final Single Tier Dividend of 0.80 sen per ordinary share for the financial year ended 31 December 2022.	Resolution 1
3.	To approve the payment of Directors' Fees amounting to RM175,000.00 in respect of the financial year ended 31 December 2022.	Resolution 2
4.	To approve the payment of Directors' Fees amounting to RM181,000.00 in respect of the financial year ending 31 December 2023 from the date of this Annual General Meeting ("AGM") until the conclusion of the next AGM of the Company in 2024.	Resolution 3
5.	To approve the payment of Directors' Benefits (excluding Directors' Fees) amounting to RM9,500 in respect of the financial year ended 31 December 2022.	Resolution 4
6.	To approve the payment of Directors' Benefits (excluding Directors' Fees) amounting to RM16,000 in respect of the financial year ending 31 December 2023 from the date of this AGM until the conclusion of next AGM of the Company in 2024.	Resolution 5
7.	To re-elect the following Directors retiring in accordance with Clause 92 of the Constitution of the Company:- (i) Ms Ng Sheau Chyn (ii) Datuk Ng Yih Pyng	Resolution 6 Resolution 7
8.	To re-elect Puan Sri Nonadiah Binti Abdullah, a Director retiring in accordance to Clause 91 of the Constitution of the Company.	Resolution 8
9.	To re-appoint Messrs BDO PLT as the External Auditor of the Company for the financial year ending 31 December 2023 and to authorise the Board of Directors to fix their remuneration.	Resolution 9
<u>AS SPECIAL BUSINESS</u> To consider and if thought fit, to pass the following resolutions with or without amendments or modifications:-		
10.	ORDINARY RESOLUTION 1 AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 76 OF THE COMPANIES ACT 2016 "THAT pursuant to Section 76 of the Companies Act 2016 ("Act") the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued shares/total number of voting shares of the Company (excluding treasury shares) at the time of issue. THAT pursuant to Section 85 of the Act approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued Company's shares arising from any issuance of new Company's shares pursuant to Section 76 of the Act.	Resolution 10

10.	<p>ORDINARY RESOLUTION 1 (continued) AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 76 OF THE COMPANIES ACT 2016 (continued)</p> <p>THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad (“Bursa Securities”) and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”</p>	Resolution 10
11.	<p>ORDINARY RESOLUTION 2 PROPOSED SHAREHOLDERS’ RATIFICATION AND PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE</p> <p>“THAT all the Recurrent Related Party Transactions (“RRPT(s)”) of a revenue and/or trading nature entered into by the Company and/or its subsidiaries, the Company and its subsidiaries, namely Yi Xing Goldsmith Sdn Bhd, Gemas Precious Metals Industries Sdn Bhd, Emas Assayer Sdn Bhd and GPM Refinery Sdn Bhd (“Group”) from 23 June 2022, being the date of listing of the Company on the ACE Market of Bursa Securities up to the date of the Second Annual General Meeting of the Company, be and are hereby accepted, confirmed and ratified, and the Group be and is hereby authorised to enter into any of the transactions falling within the types of RRPTs of a revenue or trading nature with the related parties as set out in Section 2.4 of the Circular to Shareholders dated 7 April 2023 (“RRPT Circular”) which are necessary for the Group’s day-to-day operations subject to the following:</p> <p>(i) THAT the RRPTs are:-</p> <ul style="list-style-type: none"> (a) transacted in the ordinary course of business which carried out on an arm’s length basis based on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company; and (b) the disclosure will be made in the Annual Report on the breakdown of the aggregate value of the RRPTs conducted pursuant to the Proposed Shareholders’ Ratification and Proposed Shareholders’ Mandate during the financial year on the type of RRPT made, the names of the related parties involved in each type of RRPT and their relationships with the Company. <p>(ii) THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-</p> <ul style="list-style-type: none"> (a) the conclusion of the next Annual General Meeting of the Company at which time it will lapse unless the mandate is renewed by a resolution passed at that meeting; (b) the expiration of the period within which the next Annual General Meeting after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or (c) revoked or varied by resolution passed by the shareholders in general meeting, <p>whichever is the earlier.</p> <p>AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities and to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Shareholders’ Ratification and Proposed Shareholders’ Mandate.”</p>	Resolution 11

12.	To transact any other ordinary business of which due notice shall have been given in accordance with the Companies Act 2016.	
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BY ORDER OF THE BOARD

TEOH KOK JONG (LS 04719 / PC No. 201908001451)

Company Secretary

Kuala Lumpur

Date: 7 April 2023

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN THAT, the First and Final Single Tier Dividend of 0.80 sen per ordinary share in respect of the financial year ended 31 December 2022, upon receiving approval of the Company's shareholders at the Second Annual General Meeting, shall be paid on 2 June 2023 to the shareholders registered in the Record of Depositors at the close of business on 18 May 2023.

A Depositor shall qualify for the entitlement to the dividend only in respect of:-

- a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 18 May 2023 in respect of ordinary transfers; and
- b) Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

Notes:

1. Only depositors whose names appear in the Record of Depositors as at 2 May 2023 be regarded as members and entitled to attend, speak and vote at the meeting.
2. A proxy may but need not be a member of the Company.
3. The proxy form must be deposited at the Registered Office of the Company at SO-26-02, Menara 1, No 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
4. A Member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.
5. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
6. If the appointer is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
7. Where a member is an authorised nominee as defined under the Central Depositories Act, it may appoint more than one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
8. No door gift will be provided to the shareholders / proxies / invited guests.
9. No refreshment will be served at the AGM venue.

EXPLANATORY NOTES ON ORDINARY BUSINESS**Item 1**

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

Resolution 3 and Resolution 5

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The Directors' fees and benefits proposed for the period from 1 January 2023 to 31 December 2023 are calculated based on the current Board size and number of scheduled Board and Committee meetings for the period commencing from 1 January 2023 to 31 December 2023.

This resolution is to facilitate payment of Directors' fees and allowances on monthly basis and/or as and when required. In the event the proposed amount is insufficient, e.g. due to additional meetings or enlarged Board size, approval will be sought at the next Annual General Meeting for the shortfall.

EXPLANATORY NOTES ON SPECIAL BUSINESS**Resolution 10**

The proposed Resolution 10, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares.

The waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

Resolution 11

The proposed Resolution 11, if passed, will ratify all the RRPTs entered into by the Group from 23 June 2022, being the date of listing of the Company on the ACE Market of Bursa Securities up to the date of the Second Annual General Meeting and will enable the Group to enter into RRPTs of a revenue or trading nature with related parties which are necessary for the Group's day-to-day operations and are in the ordinary course of business which carried out on an arm's length basis based on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. Further information on the RRPTs is set out in the RRPT Circular which is made available on the Company's website at <https://yxgroup.com.my/circular/> or on Bursa Securities' website.

Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”):

1. DIRECTORS WHO ARE STANDING FOR ELECTION AT THE SECOND ANNUAL GENERAL MEETING

There is no person seeking for election as Director of the Company (excluding Directors standing for re-election) at this Annual General Meeting.

The Directors who are standing for re-election are as follows:

Pursuant to Clause 91 of the Constitution of the Company

- (i) Puan Sri Nonadiah Binti Abdullah

Pursuant to Clause 92 of the Constitution of the Company

- (i) Ms Ng Sheau Chyn

- (ii) Datuk Ng Yih Pyng

The profiles of Puan Sri Nonadiah Binti Abdullah, Ms Ng Sheau Chyn and Datuk Ng Yih Pyng are set out in the Profile of Directors in page 9, 10 and 14 of the Annual Report 2022, respectively.

The Board had, through the Nomination Committee, carried out the necessary assessment on the aforesaid Directors and agreed that they met the criteria as prescribed under Rule 2.20A of the Listing Requirements on character, experience, integrity, competence and time to effectively discharge their roles as Directors. The Board is also of the view that the aforesaid Directors possess relevant qualification, knowledge and experience which complement the current Board’s competencies.

The Board believes that the contribution, commitment and performance of the aforesaid Directors continue to be valuable and effective, and strongly recommend the re-election of Puan Sri Nonadiah Binti Abdullah, Ms Ng Sheau Chyn and Datuk Ng Yih Pyng as Directors of the Company.

2. STATEMENT RELATING TO GENERAL MANDATE FOR ISSUE OF SECURITIES IN ACCORDANCE WITH RULE 6.04(3) OF THE LISTING REQUIREMENTS

This is a new general mandate to be obtained from the shareholders of the Company at the Second Annual General Meeting to be held on 10 May 2023 and if passed, will empower the Directors of the Company to allot and issue new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company. The new general mandate would provide flexibility to the Company for any possible fundraising exercises, including but not limited to placement of new shares for the purposes of funding the working capital or strategic development of the Group. As at the date of the Notice of Second Annual General Meeting, no new shares were issued since the Company’s listing on 23 June 2022.

Please refer to the Explanatory Notes for Resolution 10 as set out in Page 135 of the Annual Report 2022 for further details.

YX PRECIOUS METALS BHD (202101001245 (1401543-M))

I/We _____ (I/C No: _____)

(FULL NAME IN BLOCK LETTERS)

of _____

(ADDRESS)

being a member/members of **YX PRECIOUS METALS BHD** hereby appoint:-

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

and / or

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

Or failing whom, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf, at the Second Annual General Meeting of the Company to be held at the Dewan Berjaya, Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 10 May 2023 at 10.00 a.m. or at any adjournment thereof, and to vote as indicated below:-

No.	Ordinary Resolutions	For	Against
1.	Declaration of First and Final Single Tier Dividend		
2.	Approval for the payment of Directors' Fees for the financial year ended 31 December 2022		
3.	Approval for the payment of Directors' Fees for the financial year ending 31 December 2023		
4.	Approval for the payment of Directors' Benefits (excluding Directors' fees) for the financial year ended 31 December 2022		
5.	Approval for the payment of Directors' Benefits (excluding Directors' fees) for the financial year ending 31 December 2023		
6.	Re-election of Ms Ng Sheau Chyn as Director		
7.	Re-election of Datuk Ng Yih Pyng as Director		
8.	Re-election of Puan Sri Nonadiah Binti Abdullah as Director		
9.	Re-appointment of Messrs BDO PLT as the External Auditors of the Company for the financial year ending 31 December 2023 and authorise the Board of Directors to fix their remuneration.		

Special Business

10.	Ordinary Resolution 1 Authority to allot and issue shares		
11.	Ordinary Resolution 2 Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature		

Please indicate with a (✓) in the appropriate box against the resolution how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

No. of shares	CDS Account No.

Signature/Seal of the Shareholder: _____

Date: _____

Notes:

- 1. Only depositors whose names appear in the Record of Depositors as at 2 May 2023 be regarded as members and entitled to attend, speak and vote at the meeting.
- 2. A proxy may but need not be a member of the Company.
- 3. The proxy form must be deposited at the Registered Office of the Company at SO-26-02, Menara 1, No 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- 4. A Member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.
- 5. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- 6. If the appointer is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
- 7. Where a member is an authorised nominee as defined under the Central Depositories Act, it may appoint more than one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- 8. No door gift will be provided to the shareholders / proxies / invited guests.
- 9. No refreshment will be served at the Annual General Meeting venue.

Fold here

AFFIX
STAMP

THE COMPANY SECRETARY
YX PRECIOUS METALS BHD (202101001245 (1401543-M))
SO-26-02, Menara 1,
No. 3 Jalan Bangsar,
KL Eco City,
59200 Kuala Lumpur, Malaysia.

Fold here

Fold this flap for sealing



VISION 愿景

To be your **trusted one-stop supply centre** for **gold jewellery**.

MISSION 使命

Pioneering in **product superiority** and design **creativity** are our leads.

Making **sustained efforts towards brand significance** to gain customers' trust are our priority.

Service excellence is our passion.

Developing a progressive organization with dignity is our ultimate goal.

优质的产品，创新的设计，卓越的服务，杰出的企业。

CORE VALUES 核心价值

dedication

DEDICATION
奉献
Dedikasi



CREATIVITY
创新
Kreativiti



INTEGRITY
诚信
Integriti

passion

PASSION
热情
Kesungguhan



YX PRECIOUS METALS BHD

(Registration No. 202101001245 (1401543-M))

(Incorporated in Malaysia under the Companies Act 2016)

NO.23, JALAN 2/131A, PROJECT JAYA INDUSTRIAL ESTATE, BATU 6, JALAN KLANG LAMA, 58200 KUALA LUMPUR

Tel: (603) 7785 9969 Fax: (603) 7782 3730

Email: Info@yxgroup.com.my Website: <https://yxgroup.com.my/>