



# YBS INTERNATIONAL BERHAD

(Company No: 200201014380 (582043-K))  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the nine months ended 31 December 2019 - unaudited

	Current quarter Three months ended 31 December		Cumulative quarter Nine months ended 31 December	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Revenue	16,272	15,886	53,198	53,643
Cost of sales	(13,538)	(13,121)	(44,386)	(43,947)
Gross profit	2,734	2,765	8,812	9,696
Other operating income/(expenses)	(272)	380	301	1,512
Selling and distribution expenses	(219)	(156)	(647)	(481)
Administrative expenses	(2,214)	(2,343)	(6,354)	(6,149)
Operating profit	29	646	2,112	4,578
Finance costs	(136)	(152)	(467)	(506)
Profit/(loss) before tax	(107)	494	1,645	4,072
Income tax expense	(167)	(7)	(871)	(1,005)
Profit/(loss) after tax for the period	(274)	487	774	3,067
Other comprehensive income/(loss) <i>Item that may be reclassified subsequently to profit or loss</i>				
Foreign currency exchange differences on translation of foreign operations	4	28	(73)	(70)
Total comprehensive income/(loss) for the period	(270)	515	701	2,997
Profit/(loss) after tax attributable to:				
Owners of the Company	(357)	498	883	3,249
Non-controlling interests	83	(11)	(109)	(182)
Profit/(loss) after tax for the period	(274)	487	774	3,067
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(358)	526	805	3,180
Non-controlling interests	88	(11)	(104)	(183)
Total comprehensive income/(loss) for the period	(270)	515	701	2,997



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## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued) For the nine months ended 31 December 2019 - unaudited

	Current quarter		Cumulative quarter	
	Three months ended		Nine months ended	
	31 December		31 December	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Earnings/(Loss) per share attributable to owners of the Company (sen per share)				
Basic	(0.15)	0.21	0.37	1.34
Diluted	-	-	-	-

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying notes attached to the interim financial statements.



# YBS INTERNATIONAL BERHAD

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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	31 December 2019 (Unaudited) RM'000	31 March 2019 (Audited) RM'000
<b>Non-current assets</b>		
Property, plant and equipment	28,768	33,053
Investment properties	627	638
Prepaid lease rentals	-	1,699
Right-of-use assets	5,783	-
Goodwill	10,656	10,656
Deferred tax assets	451	526
Other receivables, deposits and prepayments	242	232
	<u>46,527</u>	<u>46,804</u>
<b>Current assets</b>		
Inventories	12,615	12,143
Receivables, deposits and prepayments	15,122	14,121
Current tax assets	606	600
Short term investment	502	-
Fixed deposits with licensed banks	186	1,216
Cash and bank balances	6,685	6,707
	<u>35,716</u>	<u>34,787</u>
<b>Total assets</b>	<u>82,243</u>	<u>81,591</u>
<b>Equity</b>		
Share capital	35,116	35,116
Treasury shares	(291)	(146)
Reserves	23,738	22,933
<b>Equity attributable to owners of the Company</b>	<u>58,563</u>	<u>57,903</u>
Non-controlling interests	774	878
<b>Total equity</b>	<u>59,337</u>	<u>58,781</u>
<b>Non-current liabilities</b>		
Borrowings	1,616	2,015
Lease liabilities	1,120	-
Deferred tax liabilities	1,410	1,273
Deferred income on government grants	635	684
	<u>4,781</u>	<u>3,972</u>
<b>Current liabilities</b>		
Payables and accrued liabilities	11,651	11,742
Bank overdrafts	1,625	1,826
Borrowings	3,771	5,270
Lease liabilities	1,010	-
Current tax liabilities	68	-
	<u>18,125</u>	<u>18,838</u>
<b>Total liabilities</b>	<u>22,906</u>	<u>22,810</u>
<b>Total equity and liabilities</b>	<u>82,243</u>	<u>81,591</u>



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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2019

	<b>31 December 2019</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>31 March 2019</b> <b>(Audited)</b> <b>RM'000</b>
Net assets per share attributable to owners of the Company (RM)	<u>0.24</u>	<u>0.24</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying notes attached to the interim financial statements.



# YBS INTERNATIONAL BERHAD

(Company No: 200201014380 (582043-K))  
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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2019 - unaudited

	Share capital RM'000	Treasury shares RM'000	<u>Non- distributable</u>  Exchange fluctuation reserve RM'000	<u>Distributable</u>  Retained profits RM'000	Equity attributable to owners of the company RM'000	Non- controlling interests RM'000	Total equity RM'000
<b>At 1 April 2019</b>	35,116	(146)	621	22,312	57,903	878	58,781
<b>Total comprehensive income/(loss) for the period</b>							
Profit/(loss) after tax for the period	-	-	-	883	883	(109)	774
Other comprehensive expenses:							
- Foreign currency exchange differences on translation of foreign operations	-	-	(78)	-	(78)	5	(73)
	-	-	(78)	883	805	(104)	701
<b>Transactions with owners</b>							
Purchase of treasury shares	-	(145)	-	-	(145)	-	(145)
<b>At 31 December 2019</b>	35,116	(291)	543	23,195	58,563	774	59,337



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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued) For the nine months ended 31 December 2019 - unaudited

	<u>Share capital</u> RM'000	<u>Non-distributable</u> Exchange fluctuation reserve RM'000	<u>Distributable</u> Retained profits RM'000	Equity attributable to owners of the company RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>At 1 April 2018</b>	35,116	598	19,638	55,352	1,083	56,435
<b>Total comprehensive income/(loss) for the period</b>						
Profit/(loss) after tax for the period	-	-	3,249	3,249	(182)	3,067
Other comprehensive expenses:						
- Foreign currency exchange differences on translation of foreign operations	-	(69)	-	(69)	(1)	(70)
	-	(69)	3,249	3,180	(183)	2,997
Changes in ownership interests in a subsidiary	-	-	-	-	(98)	(98)
<b>At 31 December 2018</b>	<b>35,116</b>	<b>529</b>	<b>22,887</b>	<b>58,532</b>	<b>802</b>	<b>59,334</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying notes attached to the interim financial statements.



# YBS INTERNATIONAL BERHAD

(Company No: 200201014380 (582043-K))  
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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For the nine months ended 31 December 2019 – unaudited

	Nine months ended 31 December	
	2019 RM'000	2018 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	1,645	4,072
Adjustments for:		
Depreciation of property, plant and equipment	3,007	3,422
Amortisation of prepaid lease rentals	-	79
Depreciation of investment properties	11	11
Depreciation of right-of-use assets	750	-
Amortisation of deferred income on government grants	(49)	(17)
Finance costs	467	506
Impairment loss on loans and receivables	-	109
Property, plant and equipment written off	-	8
Reversal of impairment loss on loans and receivables	-	(99)
Interest income	(48)	(31)
Loss on disposal of property, plant and equipment	-	12
Unrealised loss/(gain) on foreign exchange	279	(546)
<b>Operating profit before working capital changes</b>	6,062	7,526
Changes in working capital:		
Inventories	(473)	(561)
Receivables	(1,045)	4,074
Payables	(12)	(1,674)
<b>Cash generated from operations</b>	4,532	9,365
Interest paid	(467)	(506)
Interest received	48	31
Tax paid	(867)	(1,209)
Tax refund	266	19
<b>Net cash from operating activities</b>	3,512	7,700
<b>Cash flows for investing activities</b>		
Purchase of property, plant and equipment	(1,803)	(1,821)
Proceeds from disposal of property, plant and equipment	-	48
<b>Net cash for investing activities</b>	(1,803)	(1,773)
<b>Cash flows for financing activities</b>		
Acquisition of non-controlling interests	-	(140)
Purchase of treasury shares	(145)	-
Drawdown of additional term loans	1,293	2,628
Drawdown of bankers' acceptances	6,437	6,521
Repayment of bankers' acceptances	(6,785)	(6,514)
Repayment of lease liabilities	(528)	(693)
Repayment of term loans	(2,283)	(4,836)
Placement of fixed deposits pledged as securities	(89)	(5)
Advance from related parties	88	137
<b>Net cash for financing activities</b>	(2,012)	(2,902)
<b>Net increase/(decrease) in cash and cash equivalents</b>	(303)	3,025
Effect of exchange differences	(135)	67
Cash and cash equivalents at beginning of financial period	6,000	4,284
<b>Cash and cash equivalents at 31 December</b>	5,562	7,376



# YBS INTERNATIONAL BERHAD

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued) For the nine months ended 31 December 2019 – unaudited

	Nine months ended 31 December	
	2019 RM'000	2018 RM'000
Cash and cash equivalents comprise of:		
Cash and bank balances	6,685	8,228
Fixed deposits with licensed banks	186	1,208
Short term investment	502	-
Bank overdrafts	(1,625)	(1,962)
Pledged deposits	(186)	(98)
	<u>5,562</u>	<u>7,376</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying notes attached to the interim financial statements.





# YBS INTERNATIONAL BERHAD

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## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### A. Notes pursuant to Malaysian Financial Reporting Standard 134 *Interim Financial Reporting*

#### A1. Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board and should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2019.

The consolidated financial statements of the Group for the year ended 31 March 2019 are available upon request from the Company’s registered office at 57-G Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Penang.

The notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2019.

#### A2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2019, except with the adoption of the following MFRSs, Amendments and/or IC Interpretations effective for financial periods beginning on or after 1 January 2019:

- MFRS 16 Leases
- Amendments to MFRS 3 Business Combinations – Previously Held Interest in a Joint Operation (Annual Improvements to MFRSs 2015-2017 Cycle)
- Amendments to MFRS 9 Financial Instruments – Prepayment Features with Negative Compensation
- Amendments to MFRS 11 Joint Arrangements – Previously Held Interest in a Joint Operation (Annual Improvements to MFRSs 2015-2017 Cycle)
- Amendments to MFRS 112 Income Taxes – Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements to MFRSs 2015-2017 Cycle)
- Amendments to MFRS 119 Employee Benefits – Plan Amendment, Curtailment or Settlement
- Amendments to MFRS 123 Borrowing Costs – Borrowing Costs Eligible for Capitalisation (Annual Improvements to MFRSs 2015-2017 Cycle)
- Amendments to MFRS 128 Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures
- IC Interpretation 23 Uncertainty over Income Tax Treatments

The adoption of the above standards, interpretations or amendments are not expected to have material financial impact to the financial statements of the Group except as mentioned below:

#### **MFRS 16 Leases**

MFRS 16 replaces MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease – Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.



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## A2. Significant accounting policies (continued)

### MFRS 16 Leases (continued)

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions), less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. The lease liability is initially measured at present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications. There are recognitions exemptions for short-term leases and leases of low-value items.

Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 April 2019, comparatives are not restated. The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets.

The Group recognised the carrying amount of the prepaid lease rentals, leasehold land and assets acquired under hire purchase arrangements as at 31 March 2019 as the carrying amount of the right-of-use assets at the date of initial application.

The following table presents the impact of changes to the consolidated statement of financial position of the Group resulting from the adoption of MFRS 16 as at 1 April 2019:

<b>Group</b>	<b>As at 31.03.2019 RM'000</b>	<b>Reclassifications RM'000</b>	<b>As at 01.04.2019 RM'000</b>
<b>Non-current assets</b>			
Property, plant and equipment	33,053	(2,916)	30,137
Prepaid lease rentals	1,699	(1,699)	-
Right-of-use assets	-	6,734	6,734
<b>Non-current liabilities</b>			
Borrowings	2,015	(180)	1,835
Lease liabilities	-	1,651	1,651
<b>Current liabilities</b>			
Borrowings	5,270	(379)	4,891
Lease liabilities	-	1,027	1,027

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as at 31 March 2019 as follows:

	<b>RM'000</b>
Operating lease commitments as at 31 March 2019	2,343
Add: Option of extension of lease	340
Less: Commitments relating to short-term leases	(13)
	<u>2,670</u>
Incremental borrowing rate as at 1 April 2019	7.22% - 15.75%
	<u>2,119</u>
Reclassification of borrowings to lease liabilities	559
Lease liabilities as at 1 April 2019	<u>2,678</u>



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## **A3. Seasonal or cyclical factors**

The Group's operations were not significantly affected by any seasonal or cyclical factors.

## **A4. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the period under review.

## **A5. Changes in estimates**

There were no changes in estimates that have had a material effect for the period under review.

## **A6. Debt and equity securities**

There were no issues, cancellations, repurchases, resale and repayments of debt and equity securities except for the following:

During the financial period, the Company has purchased 1,050,000 of its issued ordinary shares from the open market at an average price of RM0.14 per share. The total consideration paid for the purchase including transactions costs was RM145,335. The ordinary shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

As at 31 December 2019, a total of 2,108,800 ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold during the financial period.

## **A7. Dividends paid**

There were no dividends paid during the period under review.

## **A8. Segment information**

The Group is organised and managed into business units based on its products and services as follows:

- i. Precision engineering - Involved in the design and manufacture of high precision moulds, tools and dies.
- ii. Precision plastic injection moulding - Engaged in the precision engineering plastic injection moulding and sub-assembly.
- iii. Precision machining and stamping - Involved in the manufacture and sale of precision machining and stamping components for the telecommunication, industrial sensors, switches, electronic equipment and other industries and the provision of related specialised engineering services.
- iv. Others – Involved in the manufacture and assembly of electronic components and manufacture of paper honeycomb products.

There have been no changes in the basis of measurement of segment profit or loss from the last annual financial statements.



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## A8. Segment information (continued)

Information in respect of the Group's reportable segments for the period ended 31 December 2019 was as follows:

	Precision engineering RM'000	Precision plastic injection moulding RM'000	Precision machining and stamping RM'000	Others RM'000	Total RM'000
External revenue	6,625	9,216	32,468	4,889	53,198
Inter-segment revenue	5,478	932	108	-	6,518
Reportable segment profit/(loss)	645	1,296	3,057	702	5,700
Reportable segment assets	21,741	14,714	48,008	4,466	88,929
Reportable segment liabilities	8,764	2,569	20,400	2,106	33,839

Reconciliation of reportable segment profit:

	Period to date RM'000
Total profit for reportable segments	5,700
Depreciation and amortisation	(3,768)
Finance costs	(467)
Interest income	48
Unallocated corporate expenses	(431)
Elimination of inter-segment profits	563
Consolidated profit before tax	1,645

## A9. Events after the end of the interim period

Save as disclosed in Note B7, there were no events after the current period ended 31 December 2019 that has not been reflected in this quarterly report.

## A10. Changes in the composition of the Group

There were no changes in the composition of the Group for the current period ended 31 December 2019.



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## A11. Capital expenditure

The major additions of property, plant and equipment during the current quarter and period ended 31 December 2019 were as follows:

	<b>Current quarter RM'000</b>	<b>Period to date RM'000</b>
Additions	171	1,561

## A12. Material commitments

As at 31 December 2019, the Group has the following material commitments:

	<b>RM'000</b>
<b>Contracted but not provided for:</b>	
Capital expenditure	23,075

## A13. Changes in contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets arising since the end of the last annual reporting period.

## A14. Related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The related party transaction of the Group was as follows:

	<b>Current quarter RM'000</b>	<b>Period to date RM'000</b>
Transactions with company in which Director have substantial interest		
- Sales of goods	108	237
- Purchases of goods	285	571



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## B. Notes pursuant to Chapter 9, Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

### B1. Performance review

#### Financial performance

	Current quarter		Period to date	
	Three months ended		Nine months ended	
	31 December		31 December	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Revenue:				
Precision engineering	1,866	2,453	6,625	9,285
Precision plastic injection moulding	3,098	3,023	9,216	12,308
Precision machining and stamping	9,706	9,979	32,468	30,921
Others	1,602	431	4,889	1,129
	<u>16,272</u>	<u>15,886</u>	<u>53,198</u>	<u>53,643</u>
Gross profit	2,734	2,765	8,812	9,696
Profit/(Loss) before tax	(107)	494	1,645	4,072
Profit/(Loss) after tax	(274)	487	774	3,067

The Group reported revenue of RM53.198 million for the current period ended 31 December 2019, representing a decrease of 0.8% as compared to the prior corresponding period ended 31 December 2018. The decline was mainly due to the drop in the revenue from the precision plastic injection moulding segment. For the current quarter ended 31 December 2019, the Group achieved revenue of RM16.272 million as compared to the prior year corresponding quarter of RM15.886 million. The increase was attributable to increase in revenue contribution from the paper product segment.

The Group recorded a loss before tax of RM0.107 million in the current quarter as compared to a profit before tax of RM0.494 million achieved in the prior year corresponding quarter. The Group's profit before tax for the current period ended 31 December 2019 amounted to RM1.645 million as compared to profit before tax of RM4.072 million reported in the prior corresponding period ended 31 December 2018. The decline in the Group's profit before tax was mainly due to unfavorable foreign currency exchange.

#### Precision engineering segment

Revenue for the current period and quarter ended 31 December 2019 decreased by 28.6% and 23.9% respectively as compared to previous year's corresponding period due to reduced orders from one of its major customer and increase in inter-segment revenue.

#### Precision plastic injection moulding segment

Revenue from the precision plastic injection moulding segment for the current period ended 31 December 2019 declined by 25.1% as compared to previous year's corresponding period mainly due to reduced orders from its customers. The trade war that erupted in March last year coupled with the slowing global economy continue to impact the precision plastic injection moulding segment. For the current quarter, revenue increased by 2.5% as compared to last year corresponding quarter.

#### Precision machining and stamping segment

Revenue for the current period ended 31 December 2019 increased by 5% as compared to previous year's corresponding period. The increase was mainly due to increase in orders for its stamping and machining parts. For the current quarter, revenue decreased by 2.7% as compared to last year corresponding quarter.



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## B1. Performance review (continued)

### Gross profit

The Group's gross profit for the current quarter and period ended 31 December 2019 amounted to RM2.734 million and RM8.812 million respectively.

For the 9-month period, the decline in gross profit was in tandem with the lower revenue recorded. There was no major variance noted in the gross profit of the Group for the current quarter.

## B2. Comment on material change in profit before tax

	Current quarter RM'000	Preceding quarter RM'000	Variance	
			RM'000	%
Revenue	16,272	19,503	(3,231)	(16.6)
Profit/(Loss) before tax	(107)	1,343	(1,450)	(108)

The Group recorded a loss before tax of RM0.107 million for the current quarter ended 31 December 2019 as compared to a profit before tax of RM1.343 million recorded in the previous quarter ended 30 September 2019. The decrease in profit before tax was mainly attributable to the decrease in revenue for the current quarter.

## B3. Future prospects

Business environment remains challenging despite the signing of the first phase trade deal between US and China as the prolonged two-year trade war has dented the global growth.

Besides, any significant movement in the exchange rate between Ringgit Malaysia and United States Dollar may result in foreign exchange gains or losses, which may also affect the Group's performance.

Premised on the above, the Group remains cautious on the overall outlook for financial year ending 2020.

## B4. Statement by the Board of Directors on revenue or profit estimate, forecast, projection or internal targets

The Group did not announce any revenue or profit estimate, forecast, projection or internal targets for the financial period ended 31 December 2019.

## B5. Variance of actual profit from profit forecast or shortfall in the profit guarantee (only applicable to the final quarter for corporations which have previously announced or disclosed a profit forecast or profit guarantee in a public document)

Not applicable.



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## B6. Income tax expense

	Current quarter RM'000	Period to date RM'000
Income tax	169	663
Deferred tax	(2)	208
	<u>167</u>	<u>871</u>

The effective tax rate of the Group is higher than the statutory tax rate of 24% mainly due to certain expenses which were not deductible for income tax purposes, losses of certain subsidiaries cannot be set off against taxable profits generated by the other subsidiaries and under provision of tax in prior years.

## B7. Status of corporate proposals

Save as disclosed below, there is no outstanding uncompleted corporate proposals as at the date of this quarterly report.

On 29 October 2019, Affin Hwang Investment Bank Berhad (“Affin Hwang IB”) had on behalf of the Board, announced that Oriental Fastech Manufacturing Sdn Bhd (“OFM”), a wholly owned subsidiary of YBS International Berhad (“YBS”), had on 29 October 2019 accepted the letter of offer dated 25 October 2019 (“Letter of Offer”) from Penang Development Corporation (“PDC”) in relation to the proposed acquisition by OFM of a piece of industrial land together with the building erected thereon known as Plot 300 at Penang Science Park, Penang (“Property”) from PDC for a total purchase consideration of RM24,029,874 to be satisfied entirely by cash (“Proposed Acquisition”).

The Property comprises an area of approximately 10.03 acres (equivalent to approximately 436,906.80 square feet). The Property is under a leasehold title which was issued by the Land Office on 20 May 2008. The lease has another forty-nine (49) years remaining and will expire on 19 May 2068.

OFM has paid the earnest deposit of RM2,402,987.40, being 10% of the purchase consideration for the Proposed Acquisition (“Earnest Deposit”). The Earnest Deposit is considered as part of the purchase consideration and is only refundable in the event OFM fails to execute the SPA due to failure in obtaining the approval of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the shareholders of YBS at an extraordinary general meeting (“EGM”) of the Company to be convened in relation to the Proposed Acquisition. Pursuant thereto, OFM will only enter into the SPA with PDC subsequent to YBS obtaining the relevant approvals from Bursa Securities as well as its shareholders’ approval at an EGM to be convened for the Proposed Acquisition.

The Proposed Acquisition shall be subject to a formal sale and purchase agreement (“SPA”) to be entered into between OFM and PDC by 28 February 2020. On 29 January 2020, Affin Hwang IB had on behalf of the Board, announced that PDC and OFM had agreed to extend the deadline to execute the SPA until 31 March 2020. All other provisions contained in the Letter of Offer shall remain unchanged.





# YBS INTERNATIONAL BERHAD

(Company No: 200201014380 (582043-K))  
(Incorporated in Malaysia)

## B8. Borrowings and debt securities

The Group's loans and borrowings as at the end of the reporting period were as follows:

	As at 31 December 2019		
	Short term RM'000	Long term RM'000	Total RM'000
<i>Secured</i>			
Bank overdrafts	1,625	-	1,625
Bankers' acceptance	2,095	-	2,095
Term loans	1,676	1,616	3,292
	<u>5,396</u>	<u>1,616</u>	<u>7,012</u>

	As at 31 December 2018		
	Short term RM'000	Long term RM'000	Total RM'000
<i>Secured</i>			
Bank overdrafts	1,962	-	1,962
Bankers' acceptance	2,387	-	2,387
Finance lease liabilities	681	378	1,059
Term loans	2,863	1,898	4,761
	<u>7,893</u>	<u>2,276</u>	<u>10,169</u>

Loans and borrowings denominated in currencies other than Ringgit Malaysia were as follows:

	As at 31 December 2019		
	Short term RM'000	Long term RM'000	Total RM'000
United States Dollar	679	-	679
Vietnamese Dong	708	-	708

	As at 31 December 2018		
	Short term RM'000	Long term RM'000	Total RM'000
United States Dollar	361	-	361
Vietnamese Dong	1,006	-	1,006
Indian Rupees	26	-	26

## B9. Material litigation

The Group is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this quarterly report.

## B10. Dividends

The Directors do not recommend any dividend for the period under review.



# YBS INTERNATIONAL BERHAD

(Company No: 200201014380 (582043-K))  
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## B11. Earnings per share

### *Basic earnings per ordinary share*

The calculation of basic earnings per ordinary share for the current quarter and financial period to date was based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue, excluding treasury shares, in the respective periods as follows:

	<b>Current quarter</b>	<b>Period to date</b>
Profit/(Loss) attributable to owners of the Company (RM'000)	(357)	883
Weighted average number of ordinary shares in issue (units)	239,886,185	240,180,185
<b>Basic earnings/(loss) per ordinary share (sen)</b>	<b>(0.15)</b>	<b>0.37</b>

### *Diluted earnings per ordinary share*

Not applicable.

## B12. Auditor's report on preceding annual financial statements

The auditor's report on the audited financial statements for the year ended 31 March 2019 was not qualified.

## B13. Profit for the period

	<b>Current quarter RM'000</b>	<b>Period to date RM'000</b>
<b>Profit for the period is arrived at after charging:</b>		
Foreign currency exchange losses	217	352
Depreciation	1,240	3,768
Finance costs	136	467
<b>and after crediting:</b>		
Amortisation of deferred income on government grants	16	49
Foreign currency exchange gain	(180)	155
Interest income	15	48

Other than the above, there were no other income including investment income, provision for and write off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, gain or loss on derivatives and exceptional items for the current quarter and period ended 31 December 2019.

## B14. Derivative financial instruments

The Group does not have any derivative financial instruments at the end of the reporting period.

## B15. Fair value changes of financial liabilities

The Group does not have any financial liabilities that are measured at fair value through profit or loss.