



# YBS INTERNATIONAL BERHAD

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

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the twelve months ended 31 March 2020 - unaudited

	Current quarter Three months ended 31 March		Cumulative quarter Twelve months ended 31 March	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	14,569	15,381	67,767	69,024
Cost of sales	(13,419)	(13,292)	(57,805)	(57,239)
Gross profit	1,150	2,089	9,962	11,785
Other operating income/(expenses)	596	(398)	897	1,114
Selling and distribution expenses	(130)	(157)	(777)	(638)
Administrative expenses	(2,087)	(1,982)	(8,441)	(8,131)
Operating profit/(loss)	(471)	(448)	1,641	4,130
Finance costs	(145)	(136)	(612)	(642)
Profit/(loss) before tax	(616)	(584)	1,029	3,488
Income tax expense	284	39	(587)	(966)
Profit/(loss) after tax for the year/period	(332)	(545)	442	2,522
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	17	92	(56)	22
Total comprehensive income/(loss) for the year/period	(315)	(453)	386	2,544
Profit/(loss) after tax attributable to:				
Owners of the Company	(276)	(533)	607	2,716
Non-controlling interests	(56)	(12)	(165)	(194)
Profit/(loss) after tax for the year/period	(332)	(545)	442	2,522
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(260)	(441)	545	2,739
Non-controlling interests	(55)	(12)	(159)	(195)
Total comprehensive income/(loss) for the year/period	(315)	(453)	386	2,544



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## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued) For the twelve months ended 31 March 2020 - unaudited

	Current quarter		Cumulative quarter	
	Three months ended		Twelve months ended	
	31 March		31 March	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Earnings/(Loss) per share attributable to owners of the Company (sen per share)				
Basic	(0.12)	(0.22)	0.25	1.12
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 March 2020

	31 March 2020 (Unaudited) RM'000	31 March 2019 (Audited) RM'000
<b>Non-current assets</b>		
Property, plant and equipment	29,308	33,053
Investment properties	623	638
Prepaid lease rentals	-	1,699
Right-of-use assets	5,994	-
Goodwill	10,656	10,656
Deferred tax assets	526	526
Other receivables, deposits and prepayments	249	232
	<u>47,356</u>	<u>46,804</u>
<b>Current assets</b>		
Inventories	11,405	12,143
Receivables, deposits and prepayments	14,706	14,121
Current tax assets	659	600
Short term investment	808	-
Fixed deposits with licensed banks	-	1,216
Cash and bank balances	6,808	6,707
	<u>34,386</u>	<u>34,787</u>
<b>Total assets</b>	<u>81,742</u>	<u>81,591</u>
<b>Equity</b>		
Share capital	35,116	35,116
Treasury shares	(327)	(146)
Reserves	23,478	22,933
<b>Equity attributable to owners of the Company</b>	<u>58,267</u>	<u>57,903</u>
Non-controlling interests	719	878
<b>Total equity</b>	<u>58,986</u>	<u>58,781</u>
<b>Non-current liabilities</b>		
Borrowings	1,541	2,015
Lease liabilities	949	-
Deferred tax liabilities	1,195	1,273
Deferred income on government grants	618	684
	<u>4,303</u>	<u>3,972</u>
<b>Current liabilities</b>		
Payables and accrued liabilities	11,559	11,742
Bank overdrafts	733	1,826
Borrowings	4,853	5,270
Lease liabilities	1,059	-
Current tax liabilities	249	-
	<u>18,453</u>	<u>18,838</u>
<b>Total liabilities</b>	<u>22,756</u>	<u>22,810</u>
<b>Total equity and liabilities</b>	<u>81,742</u>	<u>81,591</u>



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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued) As at 31 March 2020

	<b>31 March 2020</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 twelve months ended 31 March 2020 - 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 year</b>							
Profit/(loss) after tax for the year	-	-	-	607	607	(165)	442
Other comprehensive expenses:							
- Foreign currency exchange differences on translation of foreign operations	-	-	(62)	-	(62)	6	(56)
	-	-	(62)	607	545	(159)	386
<b>Transactions with owners</b>							
Purchase of treasury shares	-	(181)	-	-	(181)	-	(181)
<b>At 31 March 2020</b>	<b>35,116</b>	<b>(327)</b>	<b>559</b>	<b>22,919</b>	<b>58,267</b>	<b>719</b>	<b>58,986</b>



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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued) For the twelve months ended 31 March 2020 - 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 2018</b>	35,116	-	598	19,638	55,352	1,083	56,435
<b>Total comprehensive income/(loss) for the year</b>							
Profit/(loss) after tax for the year	-	-	-	2,716	2,716	(194)	2,522
Other comprehensive expenses:							
- Foreign currency exchange differences on translation of foreign operations	-	-	23	-	23	(1)	22
	-	-	23	2,716	2,739	(195)	2,544
<b>Transactions with owners</b>							
Purchase of treasury shares	-	(146)	-	-	(146)	-	(146)
Subscription of additional shares in a subsidiary by non-controlling interests	-	-	-	-	-	88	88
Changes in ownership interests in a subsidiary	-	-	-	(42)	(42)	(98)	(140)
	-	(146)	-	(42)	(188)	(10)	(198)
<b>At 31 March 2019</b>	35,116	(146)	621	22,312	57,903	878	58,781

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

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For the twelve months ended 31 March 2020 – unaudited

	Twelve months ended 31 March	
	2020 RM'000	2019 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	1,029	3,488
Adjustments for:		
Depreciation of property, plant and equipment	3,899	4,423
Amortisation of prepaid lease rentals	-	105
Depreciation of investment properties	15	15
Depreciation of right-of-use assets	1,063	-
Amortisation of deferred income on government grants	(66)	(33)
Finance costs	612	642
Impairment loss on loans and receivables	-	45
Forfeited of advance deposit from customer	-	(177)
Reversal of allowance for slow-moving inventories	(60)	-
Allowance for write-down of inventories	156	-
Property, plant and equipment written off	-	15
Interest income	(64)	(47)
Loss on disposal of property, plant and equipment	-	56
Unrealised gain on foreign exchange	(250)	(205)
<b>Operating profit before working capital changes</b>	6,334	8,327
Changes in working capital:		
Inventories	642	(1,005)
Receivables	(331)	2,695
Payables	(72)	(1,001)
<b>Cash generated from operations</b>	6,573	9,016
Interest paid	(436)	(642)
Interest received	64	47
Tax paid	(1,021)	(1,529)
Tax refund	527	320
<b>Net cash from operating activities</b>	5,707	7,212
<b>Cash flows for investing activities</b>		
Purchase of property, plant and equipment	(3,197)	(2,365)
Proceeds from disposal of property, plant and equipment	-	527
<b>Net cash for investing activities</b>	(3,197)	(1,838)
<b>Cash flows for financing activities</b>		
Acquisition of non-controlling interests	-	(140)
Purchase of treasury shares	(181)	(146)
Subscription of additional shares in a subsidiary by non-controlling interests	-	88
Drawdown of additional term loans	4,674	3,736
Drawdown of finance lease liabilities	330	-
Drawdown of bankers' acceptances	8,120	9,361
Government grant received	-	477
Repayment of bankers' acceptances	(8,703)	(9,298)
Repayment of lease liabilities	(1,305)	(1,194)
Repayment of term loans	(4,423)	(6,453)
(Placement)/Withdrawal of fixed deposits pledged as securities	97	(4)
(Advance)/Repayment to related parties	(110)	71
<b>Net cash for financing activities</b>	(1,501)	(3,502)
<b>Net increase in cash and cash equivalents</b>	1,009	1,872
Effect of exchange differences	(126)	(156)
Cash and cash equivalents at beginning of financial year	6,000	4,284
<b>Cash and cash equivalents at 31 March</b>	6,883	6,000



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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued) For the twelve months ended 31 March 2020 – unaudited

	Twelve months ended 31 March	
	2020 RM'000	2019 RM'000
Cash and cash equivalents comprise of:		
Cash and bank balances	6,808	6,707
Fixed deposits with licensed banks	-	1,216
Short term investment	808	-
Bank overdrafts	(733)	(1,826)
Pledged deposits	-	(97)
	<u>6,883</u>	<u>6,000</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	-	7,839	7,839
<b>Non-current liabilities</b>			
Borrowings	2,015	(180)	1,835
Lease liabilities	-	1,560	1,560
<b>Current liabilities</b>			
Borrowings	5,270	(379)	4,891
Lease liabilities	-	1,105	1,105

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>2,106</u>
Reclassification of borrowings to lease liabilities	559
Lease liabilities as at 1 April 2019	<u><u>2,665</u></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 year under review.

## A5. Changes in estimates

There were no changes in estimates that have had a material effect for the year 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 year, the Company has purchased 1,370,000 of its issued ordinary shares from the open market at an average price of RM0.13 per share. The total consideration paid for the purchase including transactions costs was RM180,656. The ordinary shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

As at 31 March 2020, a total of 2,428,800 ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold during the financial year.

## A7. Dividends paid

There were no dividends paid during the year 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 year ended 31 March 2020 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	8,392	11,748	42,164	5,463	67,767
Inter-segment revenue	6,018	1,167	139	1	7,325
Reportable segment profit	624	1,469	3,553	732	6,378
Reportable segment assets	21,556	13,400	46,774	3,518	85,248
Reportable segment liabilities	9,695	2,008	19,302	1,253	32,258

Reconciliation of reportable segment profit:

	Year to date RM'000
Total profit for reportable segments	6,378
Depreciation and amortisation	(4,977)
Finance costs	(612)
Interest income	64
Unallocated corporate expenses	(574)
Elimination of inter-segment profits	750
Consolidated profit before tax	1,029

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

Save as disclosed in Note B7, there were no events after the current year ended 31 March 2020 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 year ended 31 March 2020.



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## A11. Capital expenditure

The major additions of property, plant and equipment during the current quarter and year ended 31 March 2020 were as follows:

	<b>Current quarter RM'000</b>	<b>Year to date RM'000</b>
Additions	1,636	3,197

## A12. Material commitments

As at 31 March 2020, the Group has the following material commitments:

	<b>RM'000</b>
<b>Contracted but not provided for:</b>	
Capital expenditure	21,950

## 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>Year to date RM'000</b>
Transactions with company in which Director have substantial interest		
- Sales of goods	81	318
- Purchases of goods	153	724



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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		Year to date	
	Three months ended		Twelve months ended	
	31 March		31 March	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Revenue:				
Precision engineering	1,767	2,857	8,392	12,142
Precision plastic injection moulding	2,532	2,781	11,748	15,089
Precision machining and stamping	9,696	9,311	42,164	40,232
Others	574	432	5,463	1,561
	<u>14,569</u>	<u>15,381</u>	<u>67,767</u>	<u>69,024</u>
Gross profit	1,150	2,089	9,962	11,785
Profit/(Loss) before tax	(616)	(584)	1,029	3,488
Profit/(Loss) after tax	(332)	(545)	442	2,522

The Group reported revenue of RM67.767 million for the current year ended 31 March 2020, representing a decrease of 1.8% as compared to the prior corresponding year ended 31 March 2019. The decline was mainly due to the drop in the revenue from the precision engineering and precision plastic injection moulding segment. For the current quarter ended 31 March 2020, the Group achieved revenue of RM14.569 million as compared to the prior year corresponding quarter of RM15.381 million. The decrease was attributable to the decrease in revenue contribution from the abovementioned segment.

The Group recorded a loss before tax of RM0.616 million in the current quarter as compared to RM0.584 million in the prior year corresponding quarter. The Group's profit before tax for the current year ended 31 March 2020 amounted to RM1.029 million as compared to RM3.488 million reported in the prior corresponding year ended 31 March 2019. The decline in the Group's profit before tax was mainly due to lower revenue.

#### Precision engineering segment

Revenue for the current year and quarter ended 31 March 2020 decreased by 30.9% and 38.2% respectively as compared to previous year's corresponding period due to lower demand from its major customer. Additionally, the Movement Control Order ("MCO") implemented by the Malaysia Government effective 18<sup>th</sup> March 2020 and the lockdown implemented by the Government of India effective 24<sup>th</sup> March 2020 as a preventive measure in response to the Covid-19 pandemic have impacted the revenue of the precision engineering segment during the current quarter.

#### Precision plastic injection moulding segment

Revenue from the precision plastic injection moulding segment for the current year ended 31 March 2020 declined by 22.1% as compared to previous corresponding year 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 decreased by 9.0% as compared to last year corresponding quarter. The decline was mainly due to the MCO implemented by the Malaysia Government that resulted in minimal operations during the period.



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## B1. Performance review (continued)

### Precision machining and stamping segment

Revenue for the current year ended 31 March 2020 increased by 4.8% as compared to previous corresponding year. The increase was mainly due to higher demand for its stamping and machining parts. For the current quarter, revenue increased by 4.1% as compared to last year corresponding quarter.

### Gross profit

The Group's gross profit for the current quarter and year ended 31 March 2020 amounted to RM1.150 million and RM9.962 million respectively, representing a decrease of 44.9% and 15.5% respectively as compared to last year corresponding period. The decline in gross profit was in tandem with the lower revenue recorded.

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

	Current quarter RM'000	Preceding quarter RM'000	Variance	
			RM'000	%
Revenue	14,569	16,272	(1,703)	(10.5)
Loss before tax	(616)	(107)	(509)	(475.7)

The Group recorded a loss before tax of RM0.616 million for the current quarter ended 31 March 2020 as compared to RM0.107 million recorded in the previous quarter ended 31 December 2019. The increase in loss before tax was mainly attributable to the decrease in revenue for the current quarter.

## B3. Future prospects

The Group is of the view that business environment remains uncertain and challenging. The ongoing trade tensions between the United States of America and China has dented the global growth and the unexpected Covid-19 pandemic outbreak could further disrupt the business activities of the Group. The worldwide curfews and similar restrictions established to prevent further spread of Covid-19 and the uncertainty as to when the pandemic will ease off will continue to have an adverse impact on the economy globally.

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 2021.

## 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 year ended 31 March 2020.

## 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	Year to date RM'000
Income tax	(18)	645
Deferred tax	(266)	(58)
	<u>(284)</u>	<u>587</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.

On 12 February 2020, YBS has issued a Circular in relation to the Proposed Acquisition and Notice of EGM to its shareholders. The EGM has been held on 5 March 2020 and the shareholders had approved the Proposed Acquisition by poll-voting.

On 29 May 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 30 September 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 March 2020		
	Short term RM'000	Long term RM'000	Total RM'000
<i>Secured</i>			
Bank overdrafts	733	-	733
Bankers' acceptance	1,860	-	1,860
Finance lease liabilities	1,059	949	2,008
Term loans	2,993	1,541	4,534
	<u>6,645</u>	<u>2,490</u>	<u>9,135</u>

	As at 31 March 2019		
	Short term RM'000	Long term RM'000	Total RM'000
<i>Secured</i>			
Bank overdrafts	1,826	-	1,826
Bankers' acceptance	2,443	-	2,443
Finance lease liabilities	379	180	559
Term loans	2,448	1,835	4,283
	<u>7,096</u>	<u>2,015</u>	<u>9,111</u>

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

	As at 31 March 2020		
	Short term RM'000	Long term RM'000	Total RM'000
United States Dollar	571	-	571
Vietnamese Dong	2,123	-	2,123

	As at 31 March 2019		
	Short term RM'000	Long term RM'000	Total RM'000
United States Dollar	617	-	617
Vietnamese Dong	958	-	958
Indian Rupees	18	-	18

## 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 year under review.



# YBS INTERNATIONAL BERHAD

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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>Year to date</b>
Profit/(Loss) attributable to owners of the Company (RM'000)	(276)	607
Weighted average number of ordinary shares in issue (units)	239,819,372	240,090,475
<b>Basic earnings/(loss) per ordinary share (sen)</b>	<b>(0.12)</b>	<b>0.25</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 year

	<b>Current quarter RM'000</b>	<b>Year to date RM'000</b>
<b>Profit for the year is arrived at after charging:</b>		
Foreign currency exchange losses	(75)	277
Allowance for write-down of inventories	156	156
Depreciation	1,209	4,977
Finance costs	145	612
<b>and after crediting:</b>		
Amortisation of deferred income on government grants	17	66
Reversal of allowance for slow-moving inventories	60	60
Foreign currency exchange gain	368	523
Interest income	16	64

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 year ended 31 March 2020.

## 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.