



YBS INTERNATIONAL BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the three months ended 30 June 2021 - unaudited

	Current quarter Three months ended 30 June		Cumulative quarter Three months ended 30 June	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	19,832	14,619	19,832	14,619
Cost of sales	(16,619)	(11,770)	(16,619)	(11,770)
Gross profit	3,213	2,849	3,213	2,849
Other operating income	280	53	280	53
Selling and distribution expenses	(145)	(114)	(145)	(114)
Administrative expenses	(1,899)	(1,851)	(1,899)	(1,851)
Operating profit	1,449	937	1,449	937
Finance costs	(417)	(116)	(417)	(116)
Profit before tax	1,032	821	1,032	821
Income tax expense	(197)	(127)	(197)	(127)
Profit after tax for the period	835	694	835	694
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	(3)	50	(3)	50
Total comprehensive income for the period	832	744	832	744
Profit after tax attributable to:				
Owners of the Company	792	687	792	687
Non-controlling interests	43	7	43	7
Profit after tax for the period	835	694	835	694
Total comprehensive income attributable to:				
Owners of the Company	789	735	789	735
Non-controlling interests	43	9	43	9
Total comprehensive income for the period	832	744	832	744



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued) For the three months ended 30 June 2021 - unaudited

	Current quarter Three months ended 30 June		Cumulative quarter Three months ended 30 June	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Earnings per share attributable to owners of the Company (sen per share)				
Basic	0.32	0.29	0.32	0.29
Diluted	0.30	0.29	0.30	0.29

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	30 June 2021 (Unaudited) RM'000	31 March 2021 (Audited) RM'000
Non-current assets		
Property, plant and equipment	26,593	26,720
Investment properties	605	608
Right-of-use assets	32,038	32,499
Goodwill	10,656	10,656
Deferred tax assets	403	407
Other receivables, deposits and prepayments	338	278
	<u>70,633</u>	<u>71,168</u>
Current assets		
Inventories	11,670	10,396
Receivables, deposits and prepayments	18,936	13,636
Current tax assets	646	591
Short term investment	2,946	2,934
Fixed deposits with licensed banks	189	189
Cash and bank balances	7,088	7,823
	<u>41,475</u>	<u>35,569</u>
Total assets	<u>112,108</u>	<u>106,737</u>
Equity		
Share capital	35,941	35,692
Reserves	26,962	26,253
Equity attributable to owners of the Company	<u>62,903</u>	<u>61,945</u>
Non-controlling interests	1,144	1,101
Total equity	<u>64,047</u>	<u>63,046</u>
Non-current liabilities		
Borrowings	21,254	21,676
Lease liabilities	2,671	2,949
Deferred tax liabilities	1,196	1,234
Deferred income on government grants	1,506	1,046
	<u>26,627</u>	<u>26,905</u>
Current liabilities		
Payables and accrued liabilities	13,258	10,905
Bank overdrafts	2,115	522
Borrowings	4,992	4,246
Lease liabilities	1,069	1,113
	<u>21,434</u>	<u>16,786</u>
Total liabilities	<u>48,061</u>	<u>43,691</u>
Total equity and liabilities	<u>112,108</u>	<u>106,737</u>



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 30 June 2021

	30 June 2021 (Unaudited) RM'000	31 March 2021 (Audited) RM'000
Net assets per share attributable to owners of the Company (RM)	<u>0.26</u>	<u>0.25</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying notes attached to the interim financial statements.



YBS INTERNATIONAL BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the three months ended 30 June 2021 - unaudited

	<u>Non-distributable</u>			<u>Distributable</u>	Equity attributable to owners of the company RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share option reserve RM'000	Exchange fluctuation reserve RM'000	Retained profits RM'000			
At 1 April 2021	35,692	533	650	25,070	61,945	1,101	63,046
Total comprehensive income for the period							
Profit after tax for the period	-	-	-	792	792	43	835
Other comprehensive income:							
- Foreign currency exchange differences on translation of foreign operations	-	-	(2)	-	(2)	-	(2)
	-	-	(2)	792	790	43	833
Transactions with owners							
Issuance of shares pursuant to exercise of ESOS	249	(81)	-	-	168	-	168
	249	(81)	-	-	168	-	168
At 30 June 2021	35,941	452	648	25,862	62,903	1,144	64,047



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued) For the three months ended 30 June 2021 - unaudited

			<u>Non- distributable</u>	<u>Distributable</u>			
	Share capital RM'000	Treasury shares RM'000	Exchange fluctuation reserve RM'000	Retained profits RM'000	Equity attributable to owners of the company RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 April 2020	35,116	(327)	559	22,923	58,271	719	58,990
Total comprehensive income for the period							
Profit after tax for the period	-	-	-	687	687	7	694
Other comprehensive expenses:							
- Foreign currency exchange differences on translation of foreign operations	-	-	48	-	48	2	50
	-	-	48	687	735	9	744
At 30 June 2020	35,116	(327)	607	23,610	59,006	728	59,734

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2021 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 three months ended 30 June 2021 – unaudited

	Three months ended 30 June	
	2021 RM'000	2020 RM'000
Cash flows from operating activities		
Profit before tax	1,032	821
Adjustments for:		
Depreciation of property, plant and equipment	859	957
Depreciation of investment properties	4	4
Depreciation of right-of-use assets	455	283
Amortisation of deferred income on government grants	(28)	(16)
Finance costs	417	116
Allowance for write-down of inventories	159	230
Interest income	(17)	(12)
Unrealised loss on foreign exchange	248	385
Operating profit before working capital changes	3,129	2,768
Changes in working capital:		
Inventories	(1,433)	(329)
Receivables	(5,419)	580
Payables	1,467	(1,378)
Related parties	881	(11)
Cash (used in)/generated from operations	(1,375)	1,630
Interest paid	(365)	(72)
Interest received	17	12
Tax paid	(304)	(162)
Net cash (for)/from operating activities	(2,027)	1,408
Cash flows for investing activities		
Purchase of property, plant and equipment	(741)	(340)
Net cash for investing activities	(741)	(340)
Cash flows from/(for) financing activities		
Drawdown of term loans	1,944	1,128
Drawdown of bankers' acceptances	1,488	847
Government grant received	488	-
Repayment of bankers' acceptances	(2,064)	(361)
Repayment of lease liabilities	(366)	(266)
Repayment of term loans	(1,045)	(1,706)
Proceed from issuance of shares pursuant to exercise of ESOS	167	-
Net cash from/(for) financing activities	612	(358)
Net increase in cash and cash equivalents	(2,156)	710
Effect of exchange differences	(160)	(63)
Cash and cash equivalents at beginning of financial period	10,235	6,691
Cash and cash equivalents at 30 June	7,919	7,338
Cash and cash equivalents comprise of:		
Cash and bank balances	7,088	6,527
Fixed deposits with licensed banks	189	194
Short term investment	2,946	814
Bank overdrafts	(2,115)	(3)
Pledged deposits	(189)	(194)
	7,919	7,338

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying notes attached to the interim financial statements.



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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 2021.

The consolidated financial statements of the Group for the year ended 31 March 2021 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 2021.

A2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2021, except with the adoption of the following MFRSs, Amendments and/or IC Interpretations effective for financial periods beginning on or after 1 January 2021:

- Amendments to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement*, MFRS 7 *Financial Instruments: Disclosures*, MFRS 4 *Insurance Contracts* and MFRS 16 *Leases – Interest Rate Benchmark Reform – Phase 2*

The adoption of the above standards, interpretations or amendments are not expected to have material financial impact to the financial statements of the Group.

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

Save as disclosed below, there were no issues, cancellations, repurchases, resale and repayments of debt and equity securities during the period under review.

- 1) On 26 April 2021, the Company has issued 1,339,000 new ordinary shares arising from the exercise of options granted under the Employees’ Share Option Scheme (“ESOS”) for the eligible employees of the Group at the exercise price of RM0.125 per share.



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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 and plastic injection moulding - Involved in the design and manufacture of high precision moulds, tools and dies, plastic injection moulding and sub-assembly.
- ii. 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.
- iii. 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.

Information in respect of the Group's reportable segments for the period ended 30 June 2021 was as follows:

	Precision engineering and plastic injection moulding RM'000	Precision machining and stamping RM'000	Others RM'000	Total RM'000
External revenue	5,431	13,427	974	19,832
Inter-segment revenue	450	28	-	478
Reportable segment profit	680	1,981	236	2,897
Reportable segment assets	33,548	73,577	5,798	112,923
Reportable segment liabilities	10,680	44,926	2,940	58,546

Reconciliation of reportable segment profit:

	Period to date RM'000
Total profit for reportable segments	2,897
Depreciation and amortization	(1,318)
Finance costs	(417)
Interest income	17
Unallocated corporate expenses	(114)
Elimination of inter-segment profits	(33)
Consolidated profit before tax	1,032

A9. Events after the end of the interim period

There were no events after the current period ended 30 June 2021 that has not been reflected in this quarterly report.



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A10. Changes in the composition of the Group

There were no changes in the composition of the Group for the current period ended 30 June 2021.

A11. Capital expenditure

The major additions of property, plant and equipment during the current quarter and period ended 30 June 2021 were as follows:

	Current quarter RM'000	Period to date RM'000
Additions	741	741

A12. Material commitments

As at 30 June 2021, the Group has the following material commitments:

	RM'000
Contracted but not provided for:	
Capital expenditure	11,512

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:

	Current quarter RM'000	Period to date RM'000
Transactions with company in which Director has substantial interest		
- Sales of goods	99	99
- Purchases of goods	12	12



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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		Three months ended	
	30 June		31 June	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Revenue:				
Precision engineering and plastic injection moulding	5,431	4,885	5,431	4,885
Precision machining and stamping	13,427	9,243	13,427	13,427
Others	974	491	974	491
	<u>19,832</u>	<u>14,619</u>	<u>63,170</u>	<u>14,619</u>
Gross profit	3,213	2,849	3,213	2,849
Profit before tax	1,032	821	1,032	821
Profit after tax	835	694	835	694

The Group reported revenue of RM19.832 million for the current quarter/period ended 30 June 2021, representing an increase of 35.7% as compared to the prior corresponding period ended 30 June 2020. The increase in revenue was attributable to the contribution from all segments included precision engineering and plastic injection moulding segment, precision machining and stamping segment, manufacture of electronic components and paper products under others segment.

The Group's profit before tax for the current quarter/period ended 30 June 2021 amounted to RM1.032 million as compared to RM0.821 million in the prior year corresponding quarter/period ended 30 June 2020. The increase in the Group's profit before tax was in tandem with the increase in revenue.

Precision engineering and plastic injection moulding segment

Revenue for the current quarter/period ended 30 June 2021 of RM5.431 million, increased by 11.2% as compared to previous year's corresponding quarter/period. The increase in revenue was due to higher demand from its existing and new customers.

Precision machining and stamping segment

Revenue for the current quarter/period ended 30 June 2021 increased by 45.3% as compared to previous year's corresponding quarter/period. The increase was mainly contributed by the subsidiary in Vietnam due to higher demand from its existing customers on the stamping and machining parts.

Gross profit

The Group's gross profit for the current quarter/period ended 30 June 2021 amounted to RM3.213 million, representing an increase of 12.8% as compared to last year corresponding quarter/period. The increase in gross profit was in tandem with the increase in revenue for the current quarter/period.



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B2. Comment on material change in profit before tax

	Current quarter RM'000	Preceding quarter RM'000	Variance	
			RM'000	%
Revenue	19,832	17,011	2,821	16.6
Profit before tax	1,032	1,707	(675)	(39.5)

The Group recorded a profit before tax of RM1.032 million for the current quarter ended 30 June 2021 as compared to RM1.707 million recorded in the immediate preceding quarter ended 31 March 2021. The lower profit before tax was mainly attributable to the unrealised foreign exchange and higher finance cost incurred in the current quarter.

B3. Future prospects

The Group is of the view that the business environment remains volatile and challenging. The ongoing trade tensions between the United States of America and China have dented global growth. The global prospects remain highly uncertain due to the Covid-19 pandemic. Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support.

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 2022.

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 30 June 2021.

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.

B6. Income tax expense

	Current quarter RM'000	Period to date RM'000
Income tax	235	235
Deferred tax	(38)	(38)
	<u>197</u>	<u>197</u>

The effective tax rate of the Group is lower than the statutory tax rate of 24% mainly due to utilisation of capital allowance and unabsorbed losses against the profit of certain subsidiaries.

B7. Status of corporate proposals

There are no outstanding uncompleted corporate proposals as at the date of this quarterly report.



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B8. Borrowings and debt securities

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

	As at 30 June 2021		
	Short term RM'000	Long term RM'000	Total RM'000
<i>Secured</i>			
Bank overdrafts	2,115	-	2,115
Bankers' acceptance	1,488	-	1,488
Finance lease liabilities	1,069	2,671	3,740
Term loans	3,504	21,254	24,758
	<u>8,176</u>	<u>23,925</u>	<u>32,101</u>

	As at 30 June 2020		
	Short term RM'000	Long term RM'000	Total RM'000
<i>Secured</i>			
Bank overdrafts	3	-	3
Bankers' acceptance	2,346	-	2,346
Finance lease liabilities	887	862	1,749
Term loans	2,424	1,569	3,993
	<u>5,660</u>	<u>2,431</u>	<u>8,091</u>

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

	As at 30 June 2021		
	Short term RM'000	Long term RM'000	Total RM'000
Vietnamese Dong	2,484	-	2,484

	As at 30 June 2020		
	Short term RM'000	Long term RM'000	Total RM'000
Vietnamese Dong	2,146	-	2,146

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.



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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:

	Current quarter	Period to date
Profit attributable to owners of the Company (RM'000)	792	792
Weighted average number of ordinary shares in issue (units)	245,477,756	245,477,756
Basic earnings per ordinary share (sen)	0.32	0.32

Diluted earnings per ordinary share

	Current quarter	Period to date
Profit attributable to owners of the Company (RM'000)	792	792
Weighted average number of ordinary shares in issue (units)	246,066,328	246,066,328
Shares deemed to be issued for no consideration: Employees' share options in issues	14,333,223	14,333,223
	260,399,551	260,399,551
Basic earnings per ordinary share (sen)	0.30	0.30

B12. Auditor's report on preceding annual financial statements

The auditor's report on the audited financial statements for the year ended 31 March 2021 was not qualified.

B13. Profit for the period

	Current quarter RM'000	Period to date RM'000
Profit for the period is arrived at after charging:		
Foreign currency exchange losses	251	251
Allowance for write-down of inventories	159	159
Depreciation	1,318	1,318
Finance costs	417	417
and after crediting:		
Amortisation of deferred income on government grants	28	28
Foreign currency exchange gain	177	177
Interest income	17	17

Other than the above, there were no other income including investment income, provision for and write off of receivables, 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 30 June 2021.



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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.