



YBS INTERNATIONAL BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the six months ended 30 September 2021 - unaudited

	Current quarter Three months ended 30 September		Cumulative quarter Six months ended 30 September	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	18,291	15,097	38,123	29,716
Cost of sales	(14,902)	(12,117)	(31,521)	(23,887)
Gross profit	3,389	2,980	6,602	5,829
Other operating income	316	(534)	596	(481)
Selling and distribution expenses	(181)	(145)	(326)	(259)
Administrative expenses	(2,060)	(2,321)	(3,959)	(4,172)
Operating profit/(loss)	1,464	(20)	2,913	917
Finance costs	(268)	(96)	(685)	(212)
Profit/(Loss) before tax	1,196	(116)	2,228	705
Income tax expense	(290)	(186)	(487)	(313)
Profit/(Loss) after tax for the period	906	(302)	1,741	392
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	68	(4)	65	46
Total comprehensive income/(loss) for the period	974	(306)	1,806	438
Profit/(Loss) after tax attributable to:				
Owners of the Company	874	(357)	1,666	330
Non-controlling interests	32	55	75	62
Profit/(Loss) after tax for the period	906	(302)	1,741	392
Total comprehensive income/(loss) attributable to:				
Owners of the Company	942	(362)	1,731	373
Non-controlling interests	32	56	75	65
Total comprehensive income/(loss) for the period	974	(306)	1,806	438



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

	Current quarter Three months ended 30 September		Cumulative quarter Six months ended 30 September	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Earnings/(Loss) per share attributable to owners of the Company (sen per share)				
Basic	0.70	(0.15)	0.68	0.14
Diluted	0.66	(0.15)	0.64	0.14

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.



YBS INTERNATIONAL BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 September 2021

	30 September 2021 (Unaudited) RM'000	31 March 2021 (Audited) RM'000
Non-current assets		
Property, plant and equipment	26,090	26,720
Investment properties	601	608
Right-of-use assets	31,617	32,499
Goodwill	10,656	10,656
Deferred tax assets	407	407
Other receivables, deposits and prepayments	339	278
	<u>69,710</u>	<u>71,168</u>
Current assets		
Inventories	12,505	10,396
Receivables, deposits and prepayments	19,515	13,636
Current tax assets	462	591
Short term investment	3,761	2,934
Fixed deposits with licensed banks	193	189
Cash and bank balances	7,758	7,823
	<u>44,194</u>	<u>35,569</u>
Total assets	<u>113,904</u>	<u>106,737</u>
Equity		
Share capital	36,027	35,692
Reserves	27,945	26,253
Equity attributable to owners of the Company	<u>63,972</u>	<u>61,945</u>
Non-controlling interests	2,176	1,101
Total equity	<u>66,148</u>	<u>63,046</u>
Non-current liabilities		
Borrowings	21,205	21,676
Lease liabilities	2,418	2,949
Deferred tax liabilities	1,165	1,234
Deferred income on government grants	1,472	1,046
	<u>26,260</u>	<u>26,905</u>
Current liabilities		
Payables and accrued liabilities	12,368	10,905
Bank overdrafts	1,920	522
Borrowings	6,147	4,246
Lease liabilities	1,061	1,113
	<u>21,496</u>	<u>16,786</u>
Total liabilities	<u>47,756</u>	<u>43,691</u>
Total equity and liabilities	<u>113,904</u>	<u>106,737</u>



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 30 September 2021

	30 September 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 six months ended 30 September 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	-	-	-	1,666	1,666	75	1,741
Other comprehensive income:							
- Foreign currency exchange differences on translation of foreign operations	-	-	65	-	65	-	65
	-	-	65	1,666	1,731	75	1,806
Transactions with owners							
Issuance of shares pursuant to exercise of ESOS	335	(109)	-	-	226	-	226
Share option granted under ESOS	-	70	-	-	70	-	70
Subscription of additional shares in a subsidiary by non-controlling interest	-	-	-	-	-	1,000	1,000
	335	(39)	-	-	296	1,000	1,296
At 30 September 2021	36,027	494	715	26,736	63,972	2,176	66,148



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

			<u>Non-distributable</u>		<u>Distributable</u>			
	Share capital	Treasury shares	Share option reserve	Exchange fluctuation reserve	Retained profits	Equity attributable to owners of the company	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	-	-	330	330	62	392
Other comprehensive expenses:								
- Foreign currency exchange differences on translation of foreign operations	-	-	-	43	-	43	3	46
	-	-	-	43	330	373	65	438
Transactions with owners								
Sale of treasury shares	-	79	-	-	-	79	-	79
Share option granted under ESOS	-	-	642	-	-	642	-	642
	-	79	642	-	-	721	-	721
At 30 September 2020	35,116	(248)	642	602	23,253	59,365	784	60,149

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 six months ended 30 September 2021 – unaudited

	Six months ended 30 September	
	2021 RM'000	2020 RM'000
Cash flows from operating activities		
Profit before tax	2,228	705
Adjustments for:		
Depreciation of property, plant and equipment	1,710	1,893
Depreciation of investment properties	7	7
Depreciation of right-of-use assets	914	580
Amortisation of deferred income on government grants	(61)	(33)
Share option granted under ESOS	70	642
Finance costs	685	212
Gain on disposal of property, plant and equipment	(5)	(1)
Allowance for write-down of inventories	373	410
Interest income	(35)	(19)
Unrealised loss on foreign exchange	280	778
Operating profit before working capital changes	6,166	5,174
Changes in working capital:		
Inventories	(2,482)	893
Receivables	(6,042)	(1,918)
Payables	1,569	(2,904)
Related parties	(86)	(38)
Cash (used in)/generated from operations	(875)	1,207
Interest paid	(585)	(127)
Interest received	35	19
Tax paid	(627)	(338)
Tax refund	198	-
Net cash (for)/from operating activities	(1,854)	761
Cash flows for investing activities		
Purchase of property, plant and equipment	(1,065)	(697)
Proceeds from disposal of property, plant and equipment	16	19
Net cash for investing activities	(1,049)	(678)
Cash flows from financing activities		
Sale of treasury shares	-	79
Drawdown of term loans	3,606	4,051
Drawdown of bankers' acceptances	3,612	1,564
Drawdown of lease liabilities	-	558
Government grant received	488	-
Repayment of bankers' acceptances	(3,122)	(1,427)
Repayment of lease liabilities	(715)	(570)
Repayment of term loans	(2,700)	(3,611)
Proceed from issuance of shares pursuant to exercise of ESOS	1,225	-
Net cash from financing activities	2,394	644
Net (decrease)/increase in cash and cash equivalents	(509)	727
Effect of exchange differences	(127)	(522)
Cash and cash equivalents at beginning of financial period	10,235	6,691
Cash and cash equivalents at 30 September	9,599	6,896



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued) For the six months ended 30 September 2021 – unaudited

	Six months ended 30 September	
	2021	2020
	RM'000	RM'000
Cash and cash equivalents comprise of:		
Cash and bank balances	7,758	7,848
Fixed deposits with licensed banks	193	188
Short term investment	3,761	818
Bank overdrafts	(1,920)	(1,770)
Pledged deposits	(193)	(188)
	<u>9,599</u>	<u>6,896</u>

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 and 23 August 2021, the Company has issued 1,339,000 and 462,000 new ordinary shares respectively 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 September 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	10,998	25,096	2,029	38,123
Inter-segment revenue	963	87	1	1,051
Reportable segment profit	1,991	3,238	403	5,632
Reportable segment assets	34,626	74,171	6,015	114,812
Reportable segment liabilities	10,986	45,229	837	57,052

Reconciliation of reportable segment profit:

	Period to date RM'000
Total profit for reportable segments	5,632
Depreciation and amortization	(2,632)
Finance costs	(685)
Interest income	35
Unallocated corporate expenses	(248)
Elimination of inter-segment profits	126
Consolidated profit before tax	2,228

A9. Events after the end of the interim period

There were no events after the current period ended 30 September 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 September 2021.

A11. Capital expenditure

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

	Current quarter RM'000	Period to date RM'000
Additions	324	1,065

A12. Material commitments

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

	RM'000
Contracted but not provided for:	
Capital expenditure	12,032

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	52	151
- Purchases of goods	5	17



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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		Six months ended	
	30 September		30 September	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Revenue:				
Precision engineering and plastic injection moulding	5,567	6,252	10,998	11,137
Precision machining and stamping	11,669	7,989	25,096	17,232
Others	1,055	856	2,029	1,347
	<u>18,291</u>	<u>15,097</u>	<u>38,123</u>	<u>29,716</u>
Gross profit	3,389	2,980	6,602	5,829
Profit before tax	1,196	(116)	2,228	705
Profit after tax	906	(302)	1,741	392

The Group reported revenue of RM38.123 million for the current period ended 30 September 2021, representing an increase of 28.3% as compared to the prior corresponding period ended 30 September 2020. For the current quarter ended 30 September 2021, the Group achieved revenue of RM18.291 million as compared to the prior year corresponding quarter of RM15.097 million. The increase in revenue for both current period and quarter were attributable to the contribution from the precision machining and stamping segment, manufacture of electronic components and paper products under others segment.

The Group's profit before tax for the current period ended 30 September 2021 amounted to RM2.228 million as compared to RM0.705 million in the prior year corresponding period ended 30 September 2020. For the current quarter, the Group recorded a profit before tax of RM1.196 million as compared to a loss before tax of RM0.116 million in the prior year corresponding quarter. 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 period and quarter ended 30 September 2021 decreased by 1.2% and 11.0% respectively as compared to previous year's corresponding period. The decrease in revenue was due to lower demand from its existing and new customers as a result of the implementation of Movement Control Order by the Malaysia Government.

Precision machining and stamping segment

Revenue for the current period and quarter ended 30 September 2021 increased by 45.6% and 46.1% respectively as compared to previous year's corresponding 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 period and quarter ended 30 September 2021 amounted to RM6.602 million and RM3.389 million respectively, representing an increase of 13.3% and 13.7% respectively as compared to last year corresponding period. The increase in gross profit was in tandem with the increase in revenue for the current period and quarter.



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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	18,291	19,832	(1,541)	(7.8)
Profit before tax	1,196	1,032	164	15.9

The Group recorded a profit before tax of RM1.196 million for the current quarter ended 30 September 2021 as compared to RM1.032 million recorded in the immediate preceding quarter ended 30 June 2021. The higher profit before tax was mainly attributable to the gain on foreign exchange and cost cutting measures 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 September 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	321	556
Deferred tax	(31)	(69)
	<u>290</u>	<u>487</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 September 2021		
	Short term RM'000	Long term RM'000	Total RM'000
<i>Secured</i>			
Bank overdrafts	1,920	-	1,920
Bankers' acceptance	2,554	-	2,554
Finance lease liabilities	1,061	2,418	3,479
Term loans	3,593	21,205	24,798
	<u>9,128</u>	<u>23,623</u>	<u>32,751</u>

	As at 30 September 2020		
	Short term RM'000	Long term RM'000	Total RM'000
<i>Secured</i>			
Bank overdrafts	1,770	-	1,770
Bankers' acceptance	1,997	-	1,997
Finance lease liabilities	809	1,221	2,030
Term loans	1,608	3,325	4,933
	<u>6,184</u>	<u>4,546</u>	<u>10,730</u>

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

	As at 30 September 2021		
	Short term RM'000	Long term RM'000	Total RM'000
Vietnamese Dong	<u>2,631</u>	<u>-</u>	<u>2,631</u>

	As at 30 September 2020		
	Short term RM'000	Long term RM'000	Total RM'000
Vietnamese Dong	<u>1,137</u>	<u>-</u>	<u>1,137</u>

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)	874	1,666
Weighted average number of ordinary shares in issue (units)	123,988,869	246,349,721
Basic earnings per ordinary share (sen)	0.70	0.68

Diluted earnings per ordinary share

	Current quarter	Period to date
Profit attributable to owners of the Company (RM'000)	874	1,666
Weighted average number of ordinary shares in issue (units)	123,988,869	246,349,721
Shares deemed to be issued for no consideration: Employees' share options in issues	7,777,059	15,024,003
	131,765,928	261,373,724
Basic earnings per ordinary share (sen)	0.66	0.64

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	53	304
Allowance for write-down of inventories	214	373
Depreciation	1,313	2,631
Finance costs	268	685
and after crediting:		
Amortisation of deferred income on government grants	33	61
Gain on disposal of property, plant and equipment	5	5
Foreign currency exchange gain	83	260
Interest income	18	35

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 September 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.