



# YBS INTERNATIONAL BERHAD

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

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the nine months ended 31 December 2021 - unaudited

|  | Current quarter<br>Three months ended<br>31 December |                | Cumulative quarter<br>Nine months ended<br>31 December |                |
|--|--|----------------|--|----------------|
|  | 2021<br>RM'000                                       | 2020<br>RM'000 | 2021<br>RM'000   | 2020<br>RM'000 |
| Revenue  | 21,066   | 16,443         | 59,189   | 46,159         |
| Cost of sales  | (16,436)   | (13,538)       | (47,957)   | (37,425)       |
| Gross profit   | 4,630  | 2,905          | 11,232   | 8,734          |
| Other operating income/(expense)   | 681  | (327)          | 1,277  | (808)          |
| Selling and distribution expenses  | (170)  | (175)          | (496)  | (434)          |
| Administrative expenses  | (2,659)  | (1,604)        | (6,618)  | (5,776)        |
| Operating profit   | 2,482  | 799            | 5,395  | 1,716          |
| Finance costs  | (359)  | (161)          | (1,044)  | (373)          |
| Profit before tax  | 2,123  | 638            | 4,351  | 1,343          |
| Income tax expense   | (314)  | (22)           | (801)  | (335)          |
| Profit after tax for the period  | 1,809  | 616            | 3,550  | 1,008          |
| Other comprehensive (loss)/income<br><i>Item that may be reclassified<br/>subsequently to profit or loss</i> |  |                |  |                |
| Foreign currency exchange differences<br>on translation of foreign operations                                | (39)   | 49             | 26   | 95             |
| Total comprehensive income for the<br>period   | 1,770  | 665            | 3,576  | 1,103          |
| Profit after tax attributable to:  |  |                |  |                |
| Owners of the Company  | 1,768  | 553            | 3,434  | 883            |
| Non-controlling interests  | 41   | 63             | 116  | 125            |
| Profit after tax for the period  | 1,809  | 616            | 3,550  | 1,008          |
| Total comprehensive income<br>attributable to:   |  |                |  |                |
| Owners of the Company  | 1,729  | 597            | 3,460  | 970            |
| Non-controlling interests  | 41   | 68             | 116  | 133            |
| Total comprehensive income for the<br>period   | 1,770  | 665            | 3,576  | 1,103          |



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## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued) For the nine months ended 31 December 2021 - unaudited

|  | Current quarter    |        | Cumulative quarter |        |
|--|--------------------|--------|--------------------|--------|
|  | Three months ended |        | Nine months ended  |        |
|  | 31 December        |        | 31 December        |        |
|  | 2021               | 2020   | 2021               | 2020   |
|  | RM'000             | RM'000 | RM'000             | RM'000 |
| Earnings per share attributable to owners of the Company (sen per share) |                    |        |                    |        |
| Basic  | 0.71               | 0.23   | 1.39               | 0.37   |
| Diluted  | 0.67               | 0.22   | 1.31               | 0.36   |

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

(Company No: 200201014380 (582043-K))  
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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December 2021

|   | 31 December 2021<br>(Unaudited)<br>RM'000 | 31 March 2021<br>(Audited)<br>RM'000 |
|---|---|--------------------------------------|
| <b>Non-current assets</b>                           |   |                                      |
| Property, plant and equipment                       | 30,066                                    | 26,720                               |
| Investment properties                               | 597                                       | 608                                  |
| Right-of-use assets                                 | 32,615                                    | 32,499                               |
| Goodwill  | 10,656                                    | 10,656                               |
| Deferred tax assets                                 | 403                                       | 407                                  |
| Other receivables, deposits and prepayments         | 328                                       | 278                                  |
|   | <u>74,665</u>                             | <u>71,168</u>                        |
| <b>Current assets</b>                               |   |                                      |
| Inventories   | 13,691                                    | 10,396                               |
| Receivables, deposits and prepayments               | 21,151                                    | 13,636                               |
| Current tax assets                                  | 373                                       | 591                                  |
| Short term investment                               | 2,276                                     | 2,934                                |
| Fixed deposits with licensed banks                  | 191                                       | 189                                  |
| Cash and bank balances                              | 10,186                                    | 7,823                                |
|   | <u>47,868</u>                             | <u>35,569</u>                        |
| <b>Total assets</b>                                 | <u>122,533</u>                            | <u>106,737</u>                       |
| <b>Equity</b>                                       |   |                                      |
| Share capital                                       | 36,903                                    | 35,692                               |
| Reserves  | 29,805                                    | 26,253                               |
| <b>Equity attributable to owners of the Company</b> | <u>66,708</u>                             | <u>61,945</u>                        |
| Non-controlling interests                           | 2,217                                     | 1,101                                |
| <b>Total equity</b>                                 | <u>68,925</u>                             | <u>63,046</u>                        |
| <b>Non-current liabilities</b>                      |   |                                      |
| Borrowings  | 26,949                                    | 21,676                               |
| Lease liabilities                                   | 2,500                                     | 2,949                                |
| Deferred tax liabilities                            | 1,119                                     | 1,234                                |
| Deferred income on government grants                | 1,439                                     | 1,046                                |
|   | <u>32,007</u>                             | <u>26,905</u>                        |
| <b>Current liabilities</b>                          |   |                                      |
| Payables and accrued liabilities                    | 13,519                                    | 10,905                               |
| Bank overdrafts                                     | 1,650                                     | 522                                  |
| Borrowings  | 5,416                                     | 4,246                                |
| Lease liabilities                                   | 1,016                                     | 1,113                                |
|   | <u>21,601</u>                             | <u>16,786</u>                        |
| <b>Total liabilities</b>                            | <u>53,608</u>                             | <u>43,691</u>                        |
| <b>Total equity and liabilities</b>                 | <u>122,533</u>                            | <u>106,737</u>                       |



# YBS INTERNATIONAL BERHAD

(Company No: 200201014380 (582043-K))  
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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2021

|  | <b>31 December 2021</b><br><b>(Unaudited)</b><br><b>RM'000</b> | <b>31 March 2021</b><br><b>(Audited)</b><br><b>RM'000</b> |
|--|--|---|
| Net assets per share attributable to owners<br>of the Company (RM) | <u>0.27</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

(Company No: 200201014380 (582043-K))  
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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the nine months ended 31 December 2021 - unaudited

|   | <u>Non-distributable</u>   |                                      |  | <u>Distributable</u>          | Equity<br>attributable<br>to owners<br>of the<br>company<br>RM'000 | Non-<br>controlling<br>interests<br>RM'000 | Total equity<br>RM'000 |
|---|----------------------------|--------------------------------------|--|-------------------------------|--|--|------------------------|
|   | Share<br>capital<br>RM'000 | Share<br>option<br>reserve<br>RM'000 | Exchange<br>fluctuation<br>reserve<br>RM'000 | Retained<br>profits<br>RM'000 |  |  |                        |
| <b>At 1 April 2021</b>  | 35,692                     | 533                                  | 650  | 25,070                        | 61,945   | 1,101                                      | 63,046                 |
| <b>Total comprehensive income for the period</b>                              |                            |                                      |  |                               |  |  |                        |
| Profit after tax for the period   | -                          | -                                    | -  | 3,434                         | 3,434  | 116  | 3,550                  |
| Other comprehensive income:   |                            |                                      |  |                               |  |  |                        |
| - Foreign currency exchange differences on translation of foreign operations  | -                          | -                                    | 26   | -                             | 26   | -  | 26                     |
|   | -                          | -                                    | 26   | 3,434                         | 3,460  | 116  | 3,576                  |
| <b>Transactions with owners</b>   |                            |                                      |  |                               |  |  |                        |
| Issuance of shares pursuant to exercise of ESOS                               | 1,211                      | (396)                                | -  | -                             | 815  | -  | 815                    |
| Share option granted under ESOS   | -                          | 488                                  | -  | -                             | 488  | -  | 488                    |
| Subscription of additional shares in a subsidiary by non-controlling interest | -                          | -                                    | -  | -                             | -  | 1,000                                      | 1,000                  |
|   | 1,211                      | 92                                   | -  | -                             | 1,303  | 1,000                                      | 2,303                  |
| <b>At 31 December 2021</b>  | <b>36,903</b>              | <b>625</b>                           | <b>676</b>                                   | <b>28,504</b>                 | <b>66,708</b>  | <b>2,217</b>                               | <b>68,925</b>          |



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

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued) For the nine months ended 31 December 2021 - unaudited

|  |                            |                              | <u>Non-distributable</u>             |  | <u>Distributable</u>          | Equity<br>attributable<br>to owners<br>of the<br>Company<br>RM'000 | Non-<br>controlling<br>interests<br>RM'000 | Total<br>equity<br>RM'000 |
|--|----------------------------|------------------------------|--------------------------------------|--|-------------------------------|--|--|---------------------------|
|  | Share<br>capital<br>RM'000 | Treasury<br>shares<br>RM'000 | Share<br>option<br>reserve<br>RM'000 | Exchange<br>fluctuation<br>reserve<br>RM'000 | Retained<br>profits<br>RM'000 |  |  |                           |
| <b>At 1 April 2020</b>   | 35,116                     | (327)                        | -                                    | 559  | 22,923                        | 58,271   | 719  | 58,990                    |
| <b>Total comprehensive income for the period</b>                             |                            |                              |                                      |  |                               |  |  |                           |
| Profit after tax for the period  | -                          | -                            | -                                    | -  | 883                           | 883  | 125  | 1,008                     |
| Other comprehensive income:  |                            |                              |                                      |  |                               |  |  |                           |
| - Foreign currency exchange differences on translation of foreign operations | -                          | -                            | -                                    | 87   | -                             | 87   | 8  | 95                        |
|  | -                          | -                            | -                                    | 87   | 883                           | 970  | 133  | 1,103                     |
| <b>Transactions with owners</b>  |                            |                              |                                      |  |                               |  |  |                           |
| Sale of treasury shares  | -                          | 49                           | -                                    | -  | 31                            | 80   | -  | 80                        |
| Issuance of shares pursuant to exercise of ESOS                              | 555                        | -                            | (168)                                | -  | -                             | 387  | -  | 387                       |
| Share option granted under ESOS  | -                          | -                            | 642                                  | -  | -                             | 642  | -  | 642                       |
|  | 555                        | 49                           | 474                                  | -  | 31                            | 1,109  | -  | 1,109                     |
| <b>At 31 December 2020</b>   | <u>35,671</u>              | <u>(278)</u>                 | <u>474</u>                           | <u>646</u>                                   | <u>23,837</u>                 | <u>60,350</u>  | <u>852</u>                                 | <u>61,202</u>             |

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

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

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For the nine months ended 31 December 2021 – unaudited

|  | Nine months ended<br>31 December |                |
|--|----------------------------------|----------------|
|  | 2021<br>RM'000                   | 2020<br>RM'000 |
| <b>Cash flows from operating activities</b>                  |                                  |                |
| Profit before tax  | 4,351                            | 1,343          |
| Adjustments for:   |                                  |                |
| Depreciation of property, plant and equipment                | 2,593                            | 2,756          |
| Depreciation of investment properties                        | 11                               | 11             |
| Depreciation of right-of-use assets                          | 1,342                            | 938            |
| Amortisation of deferred income on government grants         | (95)                             | (49)           |
| Share option granted under ESOS                              | 488                              | 642            |
| Finance costs  | 1,044                            | 373            |
| Gain on disposal of property, plant and equipment            | (39)                             | (14)           |
| Property, plant and equipment written off                    | -                                | 8              |
| Allowance for write-down of inventories                      | 593                              | 873            |
| Interest income  | (58)                             | (37)           |
| Unrealised loss on foreign exchange                          | 127                              | 1,073          |
| <b>Operating profit before working capital changes</b>       | <u>10,357</u>                    | <u>7,917</u>   |
| Changes in working capital:                                  |                                  |                |
| Inventories  | (3,888)                          | 1,326          |
| Receivables  | (7,699)                          | (2,945)        |
| Payables   | 2,762                            | (1,855)        |
| Related parties  | (105)                            | (29)           |
| <b>Cash generated from operations</b>                        | <u>1,427</u>                     | <u>4,414</u>   |
| Interest paid  | (185)                            | (279)          |
| Interest received  | 58                               | 37             |
| Tax paid   | (893)                            | (521)          |
| Tax refund   | 198                              | 12             |
| <b>Net cash from operating activities</b>                    | <u>605</u>                       | <u>3,663</u>   |
| <b>Cash flows for investing activities</b>                   |                                  |                |
| Addition of right-of-use assets                              | (1,100)                          | -              |
| Purchase of property, plant and equipment                    | (5,934)                          | (1,108)        |
| Proceeds from disposal of property, plant and equipment      | 48                               | 37             |
| <b>Net cash for investing activities</b>                     | <u>(6,986)</u>                   | <u>(1,071)</u> |
| <b>Cash flows from financing activities</b>                  |                                  |                |
| Sale of treasury shares                                      | -                                | 80             |
| Drawdown of term loans                                       | 11,182                           | 3,510          |
| Drawdown of bankers' acceptances                             | 5,570                            | 4,348          |
| Drawdown of lease liabilities                                | -                                | 1,841          |
| Government grant received                                    | 487                              | -              |
| Repayment of bankers' acceptances                            | (5,785)                          | (4,416)        |
| Repayment of lease liabilities                               | (1,094)                          | (872)          |
| Repayment of term loans                                      | (5,201)                          | (4,694)        |
| Proceed from issuance of shares pursuant to exercise of ESOS | 1,815                            | 387            |
| <b>Net cash from financing activities</b>                    | <u>6,974</u>                     | <u>184</u>     |
| <b>Net increase in cash and cash equivalents</b>             | 593                              | 2,776          |
| Effect of exchange differences                               | (16)                             | (744)          |
| Cash and cash equivalents at beginning of financial period   | <u>10,235</u>                    | <u>6,691</u>   |
| <b>Cash and cash equivalents at 31 December</b>              | <u>10,812</u>                    | <u>8,723</u>   |



# YBS INTERNATIONAL BERHAD

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued) For the nine months ended 30 December 2021 – unaudited

|  | Nine months ended<br>31 December |              |
|--|----------------------------------|--------------|
|  | 2021                             | 2020         |
|  | RM'000                           | RM'000       |
| Cash and cash equivalents comprise of: |                                  |              |
| Cash and bank balances                 | 10,186                           | 6,958        |
| Fixed deposits with licensed banks     | 191                              | 183          |
| Short term investment                  | 2,276                            | 2,225        |
| Bank overdrafts                        | (1,650)                          | (460)        |
| Pledged deposits                       | (191)                            | (183)        |
|  | <u>10,812</u>                    | <u>8,723</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.





# 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 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.



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## 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.

During the current financial period, the Company issued a total of 6,518,200 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.

## 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.

During the period under review, the Group's Executive Board has changed its internal reporting structure to combine the segment of precision engineering and precision plastic injection moulding into precision engineering and plastic injection moulding segment. Therefore, the Group's basis of measurement of segment profit or loss has been changed from the last annual financial statements in order to be consistent with the internal reporting structure. The segment information for prior year corresponding quarter and period has been restated to reflect the change.

Information in respect of the Group's reportable segments for the period ended 31 December 2021 was as follows:

|                                | Precision<br>engineering and<br>plastic injection<br>moulding<br>RM'000 | Precision<br>machining<br>and<br>stamping<br>RM'000 | Others<br>RM'000 | Total<br>RM'000 |
|--------------------------------|---|---|------------------|-----------------|
| External revenue               | 17,709  | 37,889  | 3,591            | 59,189          |
| Inter-segment revenue          | 1,854   | 119   | 1                | 1,974           |
| Reportable segment profit      | 4,101   | 4,974   | 608              | 9,683           |
| Reportable segment assets      | 36,972  | 79,990  | 6,811            | 123,773         |
| Reportable segment liabilities | 10,958  | 50,665  | 1,528            | 63,151          |



# YBS INTERNATIONAL BERHAD

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## A8. Segment information (continued)

Reconciliation of reportable segment profit:

|                                      | <b>Period to date<br/>RM'000</b> |
|--------------------------------------|----------------------------------|
| Total profit for reportable segments | 9,683                            |
| Depreciation and amortisation        | (3,946)                          |
| Finance costs                        | (1,044)                          |
| Interest income                      | 58                               |
| Unallocated corporate expenses       | (376)                            |
| Elimination of inter-segment profits | (24)                             |
| Consolidated profit before tax       | <u>4,351</u>                     |

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

There were no events after the current period ended 31 December 2021 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 2021.

## A11. Capital expenditure

The major additions of property, plant and equipment during the current quarter and period ended 31 December 2021 were as follows:

|           | <b>Current quarter<br/>RM'000</b> | <b>Period to date<br/>RM'000</b> |
|-----------|-----------------------------------|----------------------------------|
| Additions | <u>4,869</u>                      | <u>5,934</u>                     |

## A12. Material commitments

As at 31 December 2021, the Group has the following material commitments:

|   | <b>RM'000</b> |
|---|---------------|
| <b>Contracted but not provided for:</b> |               |
| Capital expenditure                     | <u>20,476</u> |

## 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<br/>RM'000</b> | <b>Period to date<br/>RM'000</b> |
|---|-----------------------------------|----------------------------------|
| Transactions with company in which Director have substantial interest |                                   |                                  |
| - Sales of goods  | 103                               | 254                              |
| - Purchases of goods  | 16                                | 33                               |



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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 | Nine months ended | Nine months ended |
|  | 31 December        | 31 December        | 31 December       | 31 December       |
|  | 2021               | 2020               | 2021              | 2020              |
|  | RM'000             | RM'000             | RM'000            | RM'000            |
| Revenue:   |                    |                    |                   |                   |
| Precision engineering and plastic injection moulding | 6,711              | 6,151              | 17,709            | 17,288            |
| Precision machining and stamping                     | 12,793             | 9,172              | 37,889            | 26,404            |
| Others   | 1,562              | 1,120              | 3,591             | 2,467             |
|  | <u>21,066</u>      | <u>16,443</u>      | <u>59,189</u>     | <u>46,159</u>     |
| Gross profit   | 4,630              | 2,905              | 11,232            | 8,734             |
| Profit before tax                                    | 2,123              | 638                | 4,351             | 1,343             |
| Profit after tax                                     | 1,809              | 616                | 3,550             | 1,008             |

The Group reported revenue of RM59.189 million for the current period ended 31 December 2021, representing an increase of 28.2% as compared to the prior corresponding period ended 31 December 2020. For the current quarter ended 31 December 2021, the Group achieved revenue of RM21.066 million as compared to the prior year corresponding quarter of RM16.443 million. The increase in revenue for current period and quarter were attributable to the contribution from the precision engineering and plastic injection moulding segment, precision machining and stamping segment and the manufacture of paper products under others segment.

The Group's profit before tax for the current period ended 31 December 2021 amounted to RM4.351 million as compared to RM1.343 million reported in the prior corresponding period ended 31 December 2020. The increase in profit before tax was in tandem with the increase in the Group's revenue.

#### Precision engineering and plastic injection moulding segment

Revenue for the current period and quarter ended 31 December 2021 were increased by 2.4% and 9.1% respectively as compared to previous year's corresponding period and quarter. The increase in revenue was due to higher demand from its existing and new customers.

#### Precision machining and stamping segment

Revenue for the current period and quarter ended 31 December 2021 increased by 43.5% and 39.5% respectively as compared to previous year's corresponding period. The increase in revenue was due to higher demand from its existing customers.

#### Gross profit

The Group's gross profit for the current period and quarter ended 31 December 2021 amounted to RM11.232 million and RM4.630 million respectively, representing an increase of 28.6% and 59.4% respectively as compared to last year corresponding period and quarter. The changes in gross profit were in tandem with the revenue and there is no major variance noted for the current period and quarter.



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

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

|                   | Current<br>quarter<br>RM'000 | Preceding<br>quarter<br>RM'000 | Variance<br>RM'000 | %    |
|-------------------|------------------------------|--------------------------------|--------------------|------|
| Revenue           | 21,066                       | 18,291                         | 2,775              | 15.2 |
| Profit before tax | 2,123                        | 1,196                          | 927                | 77.5 |

The Group recorded a revenue of RM21.066 million as compared to preceding quarter of RM18.291 million mainly due to higher demand in precision engineering and plastic injection moulding segment and precision machining and stamping segment. As a result of the higher revenue, the Group generated profit before tax of RM2.213 million as compared to RM1.196 million in the preceding quarter.

## B3. Future prospects

The Group is of the view that the business environment remains volatile and challenging. 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 the 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 and expects to remain profitable 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 31 December 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<br>quarter<br>RM'000 | Period to date<br>RM'000 |
|--------------|------------------------------|--------------------------|
| Income tax   | 362                          | 918                      |
| Deferred tax | (48)                         | (117)                    |
|              | <u>314</u>                   | <u>801</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.



# 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 2021 |                     |                 |
|---------------------------|------------------------|---------------------|-----------------|
|                           | Short term<br>RM'000   | Long term<br>RM'000 | Total<br>RM'000 |
| <i>Secured</i>            |                        |                     |                 |
| Bank overdrafts           | 1,650                  | -                   | 1,650           |
| Bankers' acceptance       | 1,879                  | -                   | 1,879           |
| Finance lease liabilities | 951                    | 2,214               | 3,165           |
| Term loans                | 3,538                  | 26,949              | 30,487          |
|                           | <u>8,018</u>           | <u>29,163</u>       | <u>37,181</u>   |

|                           | As at 31 December 2020 |                     |                 |
|---------------------------|------------------------|---------------------|-----------------|
|                           | Short term<br>RM'000   | Long term<br>RM'000 | Total<br>RM'000 |
| <i>Secured</i>            |                        |                     |                 |
| Bank overdrafts           | 460                    | -                   | 460             |
| Bankers' acceptances      | 1,792                  | -                   | 1,792           |
| Finance lease liabilities | 850                    | 2,169               | 3,019           |
| Term loans                | 1,156                  | 2,061               | 3,217           |
|                           | <u>4,258</u>           | <u>4,230</u>        | <u>8,488</u>    |

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

|                 | As at 31 December 2021 |                     |                 |
|-----------------|------------------------|---------------------|-----------------|
|                 | Short term<br>RM'000   | Long term<br>RM'000 | Total<br>RM'000 |
| Vietnamese Dong | 2,566                  | -                   | 2,566           |

|                 | As at 31 December 2020 |                     |                 |
|-----------------|------------------------|---------------------|-----------------|
|                 | Short term<br>RM'000   | Long term<br>RM'000 | Total<br>RM'000 |
| Vietnamese Dong | 748                    | -                   | 748             |

## 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))  
(Incorporated in Malaysia)

## B11. Earnings per share

### *Basic earnings per share*

Basic earnings per share for the current quarter and period to date is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the current quarter and period to date as follows:

|  | Current<br>quarter | Period to date |
|--|--------------------|----------------|
| Profit attributable to owners of the<br>Company (RM'000)       | 1,768              | 3,434          |
| Weighted average number of ordinary<br>shares in issue (units) | 247,306,376        | 246,669,765    |
| <b>Basic earnings per ordinary share (sen)</b>                 | <b>0.71</b>        | <b>1.39</b>    |

### *Diluted earnings per share*

|  | Current<br>quarter | Period to date |
|--|--------------------|----------------|
| Profit attributable to owners of the<br>Company (RM'000)                               | 1,768              | 3,434          |
| Weighted average number of ordinary<br>shares in issue (units)                         | 247,306,376        | 246,669,765    |
| Shares deemed to be issued for no consideration:<br>Employees' share options in issues | 16,146,329         | 15,399,472     |
|  | 263,452,705        | 262,069,237    |
| <b>Diluted earnings per ordinary share (sen)</b>                                       | <b>0.67</b>        | <b>1.31</b>    |

## 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<br>quarter<br>RM'000 | Period to<br>date<br>RM'000 |
|--|------------------------------|-----------------------------|
| <b>Profit for the period is arrived at after charging:</b> |                              |                             |
| Foreign currency exchange losses                           | (166)                        | 138                         |
| Allowance for write-down of inventories                    | 220                          | 593                         |
| Depreciation   | 1,315                        | 3,946                       |
| Finance costs  | 359                          | 1,044                       |
| <b>and after crediting:</b>                                |                              |                             |
| Amortisation of deferred income on government grants       | 34                           | 95                          |
| Gain on disposal of property, plant and equipment          | 34                           | 39                          |
| Foreign currency exchange gain                             | (26)                         | 234                         |
| Interest income  | 23                           | 58                          |

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 31 December 2021.



# YBS INTERNATIONAL BERHAD

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

## **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.