



YBS INTERNATIONAL BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the three months ended 30 June 2022 - unaudited

	Current quarter Three months ended 30 June		Cumulative quarter Three months ended 30 June	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	20,240	19,832	20,240	19,832
Cost of sales	(15,770)	(16,619)	(15,770)	(16,619)
Gross profit	4,470	3,213	4,470	3,213
Other operating income	940	280	940	280
Selling and distribution expenses	(206)	(145)	(206)	(145)
Administrative expenses	(2,498)	(1,899)	(2,498)	(1,899)
Operating profit	2,706	1,449	2,706	1,449
Finance costs	(308)	(417)	(308)	(417)
Profit before tax	2,398	1,032	2,398	1,032
Income tax expense	(497)	(197)	(497)	(197)
Profit after tax for the period	1,901	835	1,901	835
Other comprehensive income <i>Item that may be reclassified subsequently to profit or loss</i>				
Foreign currency exchange differences on translation of foreign operations	(40)	(3)	(40)	(3)
Total comprehensive income for the period	1,861	832	1,861	832
Profit after tax attributable to:				
Owners of the Company	2,097	792	2,097	792
Non-controlling interests	(196)	43	(196)	43
Profit after tax for the period	1,901	835	1,901	835
Total comprehensive income attributable to:				
Owners of the Company	2,057	789	2,057	789
Non-controlling interests	(196)	43	(196)	43
Total comprehensive income for the period	1,861	832	1,861	832



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued) For the three months ended 30 June 2022 - unaudited

	Current quarter		Cumulative quarter	
	Three months ended		Three months ended	
	30 June		30 June	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Earnings per share attributable to owners of the Company (sen)				
Basic	0.83	0.32	0.83	0.32
Diluted	0.80	0.30	0.80	0.30

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 and the accompanying notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	30 June 2022 (Unaudited) RM'000	31 March 2022 (Audited) RM'000
Non-current assets		
Property, plant and equipment	61,862	56,711
Investment properties	590	594
Right-of-use assets	20,114	20,214
Goodwill	10,656	10,656
Deferred tax assets	442	433
	<u>93,664</u>	<u>88,608</u>
Current assets		
Inventories	16,238	13,737
Receivables, deposits and prepayments	19,603	17,872
Current tax assets	106	292
Short term investment	2,281	2,279
Fixed deposits with licensed banks	2,142	2,129
Cash and bank balances	9,209	8,195
	<u>49,579</u>	<u>44,504</u>
Total assets	<u>143,243</u>	<u>133,112</u>
Equity		
Share capital	36,914	36,903
Reserves	34,622	32,569
Equity attributable to owners of the Company	<u>71,536</u>	<u>69,472</u>
Non-controlling interests	2,149	2,345
Total equity	<u>73,685</u>	<u>71,817</u>
Non-current liabilities		
Borrowings	36,552	36,330
Lease liabilities	2,215	2,313
Deferred tax liabilities	787	802
Deferred income on government grants	1,372	1,405
	<u>40,926</u>	<u>40,850</u>
Current liabilities		
Payables and accrued liabilities	15,256	11,177
Bank overdrafts	521	611
Borrowings	11,745	7,578
Lease liabilities	1,110	1,079
	<u>28,632</u>	<u>20,445</u>
Total liabilities	<u>69,558</u>	<u>61,295</u>
Total equity and liabilities	<u>143,243</u>	<u>133,112</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.28</u>	<u>0.28</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 and the accompanying notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2022 - unaudited

	<u>Non-distributable</u>			<u>Distributable</u>		Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Employee share option reserve RM'000	Foreign exchange translation reserve RM'000	Retained profits RM'000	Attributable to owners of the Company RM'000		
At 1 April 2022	36,903	625	705	31,239	69,472	2,345	71,817
Total comprehensive income for the period							
Profit after tax for the period	-	-	-	2,097	2,097	(196)	1,901
Other comprehensive income:							
- Foreign currency exchange differences on translation of foreign operations	-	-	(40)	-	(40)	-	(40)
	-	-	(40)	2,097	2,057	(196)	1,861
Transactions with owners							
Issuance of shares pursuant to exercise of ESOS	11	(4)	-	-	7	-	7
	11	(4)	-	-	7	-	7
At 30 June 2022	36,914	621	665	33,336	71,536	2,149	73,685



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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>			Total equity RM'000
	Share capital RM'000	Employee share option reserve RM'000	Foreign exchange translation reserve RM'000	Retained profits RM'000	Attributable to owners of the Company RM'000	Non-controlling interests 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	-	-	(3)	-	(3)	-	(3)
	-	-	(3)	792	789	43	832
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	647	25,862	62,902	1,144	64,046

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 and the accompanying notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For the three months ended 30 June 2022 – unaudited

	Three months ended 30 June	
	2022 RM'000	2021 RM'000
Cash flows from operating activities		
Profit before tax	2,398	1,032
Adjustments for:		
Depreciation of property, plant and equipment	890	859
Depreciation of investment properties	4	4
Depreciation of right-of-use assets	332	455
Amortisation of deferred income on government grants	(33)	(28)
Finance costs	308	417
Gain on disposal of property, plant and equipment	(1)	-
Inventories written down	250	159
Interest income	(16)	(17)
Unrealised (gain)/loss on foreign exchange	(465)	248
Operating profit before working capital changes	3,667	3,129
Changes in working capital:		
Inventories	(2,751)	(1,433)
Receivables	(1,692)	(5,419)
Payables	4,072	1,467
Related parties	-	881
Cash generated from/(used in) operations	3,296	(1,375)
Interest paid	(8)	(365)
Interest received	16	17
Tax paid	(340)	(304)
Net cash from/(used in) operating activities	2,964	(2,027)
Cash flows from investing activities		
Addition of right-of-use assets	(24)	-
Purchase of property, plant and equipment	(5,971)	(741)
Proceeds from disposal of property, plant and equipment	13	-
Net cash used in investing activities	(5,982)	(741)
Cash flows from financing activities		
Drawdown of term loans	6,221	1,944
Drawdown of bankers' acceptances	3,499	1,488
Grant received from government	-	488
Repayment of bankers' acceptances	(3,061)	(2,064)
Repayment of lease liabilities	(327)	(366)
Repayment of term loans	(2,600)	(1,045)
Proceed from issuance of shares	7	167
Net cash from financing activities	3,739	612



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued) For the three months ended 30 June 2022 – unaudited

	Three months ended 30 June	
	2022 RM'000	2021 RM'000
Net increase/(decrease) in cash and cash equivalents	721	(2,156)
Effect of exchange differences	391	(160)
Cash and cash equivalents at beginning of financial period	11,370	10,235
Cash and cash equivalents at 30 June	<u>12,482</u>	<u>7,919</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	9,209	7,088
Fixed deposits with licensed banks	2,142	189
Short term investment	2,281	2,946
Bank overdrafts	(521)	(2,115)
Pledged deposits	(629)	(189)
	<u>12,482</u>	<u>7,919</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 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 financial year ended 31 March 2022.

The consolidated financial statements of the Group for the financial year ended 31 March 2022 are available upon request from the Company’s registered office at 57-G Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Bayan Lepas, 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 financial year ended 31 March 2022.

A2. Significant accounting policies

The significant accounting policies adopted are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2022.

The Group has adopted the MFRSs, Amendments to MFRSs and IC interpretations effective for the financial period beginning on or after 1 April 2022 where applicable to the Group. The initial adoption of these applicable MFRSs, amendments and interpretations do not have any material impact on the financial statements of the Group.

The Group has not adopted the new standards, amendments to published standards and interpretations that have been issued but not yet effective. These new standards, amendments to published standards and interpretations are not expected to have any significant impacts on the financial statements of the Group upon their initial application.

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 financial period under review.

A5. Changes in estimates

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

During the current financial period, the Company issued a total of 57,000 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.

A7. Dividends paid

There were no dividends paid during the financial 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 financial period ended 30 June 2022 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	7,610	11,209	1,421	20,240
Inter-segment revenue	545	31	-	576
Reportable segment profit	2,295	1,678	(124)	3,849
Reportable segment assets	38,458	90,324	24,958	153,740
Reportable segment liabilities	9,951	59,194	19,863	89,008



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A8. Segment information (continued)

Reconciliation of reportable segment profit:

	Period to date
	RM'000
Total profit for reportable segments	3,849
Depreciation and amortisation	(1,226)
Finance costs	(308)
Interest income	16
Unallocated corporate expenses	(92)
Elimination of inter-segment profits	159
Consolidated profit before tax	<u>2,398</u>

A9. Events after the end of the interim period

There were no events after the current financial period ended 30 June 2022 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 financial period ended 30 June 2022.

A11. Capital expenditure

The major additions of property, plant and equipment during the current quarter and financial period ended 30 June 2022 were as follows:

	Current quarter	Period to date
	RM'000	RM'000
Additions	<u>5,971</u>	<u>5,971</u>

A12. Material commitments

As at 30 June 2022, the Group has the following material commitments:

	RM'000
Contracted but not provided for:	
Capital expenditure	<u>8,279</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

There were no related party transactions during the current financial period.



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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		30 June	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue:				
Precision engineering and plastic injection moulding	7,610	5,431	7,610	5,431
Precision machining and stamping	11,209	13,427	11,209	13,427
Others	1,421	974	1,421	974
	<u>20,240</u>	<u>19,832</u>	<u>20,240</u>	<u>19,832</u>
Gross profit	4,470	3,213	4,470	3,213
Profit before tax	2,398	1,032	2,398	1,032
Profit after tax	1,901	835	1,901	835

The Group reported revenue of RM20.240 million for the current quarter/period ended 30 June 2022 as compared to RM19.832 million in the preceding year corresponding quarter/period ended 30 June 2021, which representing an increase of 2.1%. The increase in revenue for the current quarter/period was mainly due to contributions from precision engineering and plastic injection moulding segment.

The Group generated profit before tax for the current quarter/period ended 30 June 2022 amounted to RM2.398 million as compared to preceding year corresponding quarter/period ended 30 June 2021 of RM1.032 million. The increase in profit before tax of RM1.366 million for the current quarter/period ended 30 June 2022 was mainly due to increase in revenue with higher profit margin.

Precision engineering and plastic injection moulding segment

Revenue for the current quarter/period ended 30 June 2022 of RM7.610 million, increased by 40% as compared to preceding year corresponding quarter/period ended 30 June 2021 of RM5.431 million. The increase in revenue was mainly due to higher demand from its existing and new customers.

Precision machining and stamping segment

Revenue for the current quarter/period ended 30 June 2022 was decreased by 16.5% as compared to preceding year corresponding quarter/period ended 30 June 2021. The decrease in revenue was mainly due to shortage of key components by customers.

Gross profit

The Group generated gross profit for the current quarter/period ended 30 June 2022 amounted to RM4.470 million, representing an increase of 39% as compared to preceding year corresponding quarter/period of RM3.213 million. 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	20,240	20,320	(80)	(0.4)
Profit before tax	2,398	2,764	(366)	(13.2)

The Group recorded a revenue of RM20.240 million as compared to preceding quarter of RM20.320 million. The decrease of RM0.800 million in revenue was mainly due to shortage of key components by customers in current quarter. As a result of the lower revenue, the Group recorded a profit before tax for current quarter of RM2.398 million as compared to the preceding quarter of RM2.764 million.

B3. Future prospects

The Group is of the view that the business environment remains volatile and challenging.

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 the current financial year.

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 2022.

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	513	513
Deferred tax	(16)	(16)
	<u>497</u>	<u>497</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 financial period were as follows:

	As at 30 June 2022		
	Short term RM'000	Long term RM'000	Total RM'000
<i>Secured</i>			
Bank overdrafts	521	-	521
Bankers' acceptances	2,639	-	2,639
Term loans	9,106	36,552	45,658
	<u>12,266</u>	<u>36,552</u>	<u>48,818</u>

	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' acceptances	1,488	-	1,488
Term loans	3,504	21,254	24,758
	<u>7,107</u>	<u>21,254</u>	<u>28,361</u>

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

	As at 30 June 2022		
	Short term RM'000	Long term RM'000	Total RM'000
Vietnamese Dong	2,660	-	2,660

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

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 financial period under review.



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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 quarter	Period to date
Profit attributable to owners of the Company (RM'000)	2,097	2,097
Weighted average number of ordinary shares in issue (units)	251,657,858	251,657,858
Basic earnings per ordinary share (sen)	0.83	0.83

Diluted earnings per share

	Current quarter	Period to date
Profit attributable to owners of the Company (RM'000)	2,097	2,097
Weighted average number of ordinary shares in issue (units)	251,657,858	251,657,858
Shares deemed to be issued for no consideration: Employees' share options in issues	10,986,772	10,986,772
	262,644,630	262,644,630
Diluted earnings per ordinary share (sen)	0.80	0.80

B12. Auditor's report on preceding annual financial statements

The auditor's report on the audited financial statements for the financial year ended 31 March 2022 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:		
Allowance for inventories written down	250	250
Depreciation	1,226	1,226
Finance costs	308	308
and after crediting:		
Amortisation of deferred income on government grants	33	33
Gain on disposal of property, plant and equipment	1	1
Gain on short term investment	1	1
Foreign currency exchange gain	633	633
Interest income	16	16

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 2022.



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B14. Derivative financial instruments

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

B16. Authorisation for issue

The Condensed Consolidated Interim Financial Statements were authorised for issue by the Board of Directors on 25 August 2022.