



YBS INTERNATIONAL BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the six months ended 30 September 2022 - unaudited

	Current quarter Three months ended 30 September		Cumulative quarter Six months ended 30 September	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	24,127	18,291	44,367	38,123
Cost of sales	(19,982)	(14,902)	(35,752)	(31,521)
Gross profit	4,145	3,389	8,615	6,602
Other operating income	958	316	1,898	596
Selling and distribution expenses	(394)	(181)	(600)	(326)
Administrative expenses	(2,939)	(2,060)	(5,437)	(3,959)
Operating profit	1,770	1,464	4,476	2,913
Finance costs	(484)	(268)	(792)	(685)
Profit before tax	1,286	1,196	3,684	2,228
Income tax expense	(647)	(290)	(1,144)	(487)
Profit after tax for the period	639	906	2,540	1,741
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	(123)	68	(163)	65
Total comprehensive income for the period	516	974	2,377	1,806
Profit/(Loss) after tax attributable to:				
Owners of the Company	1,029	874	3,126	1,666
Non-controlling interests	(390)	32	(586)	75
Profit after tax for the period	639	906	2,540	1,741
Total comprehensive income/(loss) attributable to:				
Owners of the Company	906	942	2,963	1,731
Non-controlling interests	(390)	32	(586)	75
Total comprehensive income for the period	516	974	2,377	1,806



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

	Current quarter		Cumulative quarter	
	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Earnings per share attributable to owners of the Company (sen)				
Basic	0.41	0.35	1.24	0.68
Diluted	0.39	0.33	1.19	0.64

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.



YBS INTERNATIONAL BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 September 2022

	30 September 2022 (Unaudited) RM'000	31 March 2022 (Audited) RM'000
Non-current assets		
Property, plant and equipment	69,132	56,711
Investment properties	586	594
Right-of-use assets	19,782	20,214
Goodwill	10,656	10,656
Deferred tax assets	445	433
	<u>100,601</u>	<u>88,608</u>
Current assets		
Inventories	20,209	13,737
Receivables, deposits and prepayments	17,645	17,872
Current tax assets	-	292
Short term investment	2,303	2,279
Fixed deposits with licensed banks	3,160	2,129
Cash and bank balances	11,746	8,195
	<u>55,063</u>	<u>44,504</u>
Total assets	<u>155,664</u>	<u>133,112</u>
Equity		
Share capital	36,915	36,903
Reserves	35,786	32,569
Equity attributable to owners of the Company	<u>72,701</u>	<u>69,472</u>
Non-controlling interests	1,759	2,345
Total equity	<u>74,460</u>	<u>71,817</u>
Non-current liabilities		
Borrowings	43,738	36,330
Lease liabilities	1,967	2,313
Deferred tax liabilities	753	802
Deferred income on government grants	1,339	1,405
	<u>47,797</u>	<u>40,850</u>
Current liabilities		
Payables and accrued liabilities	21,655	11,177
Current tax liabilities	296	-
Bank overdrafts	35	611
Borrowings	10,315	7,578
Lease liabilities	1,106	1,079
	<u>33,407</u>	<u>20,445</u>
Total liabilities	<u>81,204</u>	<u>61,295</u>
Total equity and liabilities	<u>155,664</u>	<u>133,112</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.29</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.



YBS INTERNATIONAL BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022 - 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 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	-	-	-	3,126	3,126	(586)	2,540
Other comprehensive income:							
- Foreign currency exchange differences on translation of foreign operations	-	-	(163)	-	(163)	-	(163)
	-	-	(163)	3,126	2,963	(586)	2,377
Transactions with owners							
Employee share option exercised	12	(4)	-	-	8	-	8
Employee share option granted	-	258	-	-	258	-	258
	12	254	-	-	266	-	266
At 30 September 2022	36,915	879	542	34,365	72,701	1,759	74,460



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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>			Total equity RM'000
	Share capital RM'000	Employee share 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	-	-	-	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							
Employee share option exercised	335	(109)	-	-	226	-	226
Employee share option granted	-	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

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.



YBS INTERNATIONAL BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For the six months ended 30 September 2022 – unaudited

	Six months ended 30 September	
	2022 RM'000	2021 RM'000
Cash flows from operating activities		
Profit before tax	3,684	2,228
Adjustments for:		
Depreciation of property, plant and equipment	2,025	1,710
Depreciation of investment properties	7	7
Depreciation of right-of-use assets	641	914
Amortisation of deferred income on government grants	(67)	(61)
Share option to employees	258	70
Finance costs	792	685
Gain on disposal of property, plant and equipment	(1)	(5)
Inventories written down	-	373
Reversal of inventories written down	(79)	-
Interest income	(57)	(35)
Unrealised (gain)/loss on foreign exchange	(954)	280
Operating profit before working capital changes	<u>6,249</u>	<u>6,166</u>
Changes in working capital:		
Inventories	(6,392)	(2,482)
Receivables	350	(6,042)
Payables	10,474	1,569
Related parties	-	(86)
Cash generated from/(used in) operations	<u>10,681</u>	<u>(875)</u>
Interest paid	(18)	(585)
Interest received	57	35
Tax paid	(617)	(627)
Tax refund	-	198
Net cash from/(used in) operating activities	<u>10,103</u>	<u>(1,854)</u>
Cash flows from investing activities		
Addition of right-of-use assets	(24)	-
Purchase of property, plant and equipment	(14,260)	(1,065)
Proceeds from disposal of property, plant and equipment	13	16
Net cash used in investing activities	<u>(14,271)</u>	<u>(1,049)</u>
Cash flows from financing activities		
Drawdown of term loans	13,748	3,606
Drawdown of bankers' acceptances	7,557	3,612
Grant received from government	-	488
Repayment of bankers' acceptances	(6,061)	(3,122)
Repayment of lease liabilities	(657)	(715)
Repayment of term loans	(5,915)	(2,700)
Proceed from issuance of shares	8	1,225
Net cash from financing activities	<u>8,680</u>	<u>2,394</u>



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

	Six months ended 30 September	
	2022 RM'000	2021 RM'000
Net increase/(decrease) in cash and cash equivalents	4,512	(509)
Effect of exchange differences	659	(127)
Cash and cash equivalents at beginning of financial period	11,370	10,235
Cash and cash equivalents at 30 September	<u>16,541</u>	<u>9,599</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	11,746	7,758
Fixed deposits with licensed banks	3,160	193
Short term investment	2,303	3,761
Bank overdrafts	(35)	(1,920)
Pledged deposits	(633)	(193)
	<u>16,541</u>	<u>9,599</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 62,000 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 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 September 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	15,767	22,079	6,521	44,367
Inter-segment revenue	1,318	126	-	1,444
Reportable segment profit	4,947	2,486	(188)	7,245
Reportable segment assets	41,858	94,063	32,965	168,886
Reportable segment liabilities	11,391	63,190	28,706	103,287



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A8. Segment information (continued)

Reconciliation of reportable segment profit:

	Period to date
	RM'000
Total profit for reportable segments	7,245
Depreciation and amortisation	(2,673)
Finance costs	(792)
Interest income	57
Unallocated corporate expenses	(291)
Elimination of inter-segment profits	138
Consolidated profit before tax	<u>3,684</u>

A9. Events after the end of the interim period

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

A11. Capital expenditure

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

	Current quarter	Period to date
	RM'000	RM'000
Additions	<u>8,289</u>	<u>14,260</u>

A12. Material commitments

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

	RM'000
Contracted but not provided for:	
Capital expenditure	<u>5,013</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		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue:				
Precision engineering and plastic injection moulding	8,157	5,567	15,767	10,998
Precision machining and stamping	10,870	11,669	22,079	25,096
Others	5,100	1,055	6,521	2,029
	<u>24,127</u>	<u>18,291</u>	<u>44,367</u>	<u>38,123</u>
Gross profit	4,145	3,389	8,615	6,602
Profit before tax	1,286	1,196	3,684	2,228
Profit after tax	<u>639</u>	<u>906</u>	<u>2,540</u>	<u>1,741</u>

The Group recorded revenue of RM44.367 million for the current period ended 30 September 2022, representing an increase of 16.4% as compared to the preceding year corresponding period of RM38.123 million. For the current quarter, the Group generated revenue of RM24.127 million as compared to preceding year corresponding quarter of RM18.291 million. The increase in revenue for current period was mainly due to contributions from precision engineering and plastic injection moulding segment. The increase in revenue for current quarter was mainly contributions from manufacture of paper products and assembly of electronic components in others segment.

The Group generated profit before tax for the current period ended 30 September 2022 amounted to RM3.684 million as compared to preceding year corresponding period ended of RM2.228 million. For current quarter, the Group generated profit before tax of RM1.286 million as compared to preceding year corresponding quarter of RM1.196 million. The increase in profit before tax was in tandem with the increase in revenue.

Precision engineering and plastic injection moulding segment

Revenue for the current period ended 30 September 2022 was RM15.767 million as compared to preceding year corresponding period of RM10.998 million, which representing the revenue was increased by 43.4%. For the current quarter, the revenue was RM8.517 million as compared to preceding corresponding quarter of RM5.567 million. The increase in revenue was mainly due to higher demand from its existing customers.

Precision machining and stamping segment

Revenue for the current period and quarter ended 30 September 2022 was RM22.079 million and RM10.870 million as compared to preceding year corresponding period and quarter ended 30 September 2021 of RM25.096 million and RM11.669 million respectively. The decrease in revenue in current quarter and period was mainly due to market demand soften and shortage of key components by customers.



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B1. Performance review (continued)

Gross profit

The Group generated gross profit for the current period ended 30 September 2022 amounted to RM8.615 million as compared to preceding year corresponding period of RM6.602 million. For current quarter, the Group reported gross profit was RM4.145 million as compared to preceding corresponding quarter RM3.389 million. The increase in gross profit was in tandem with the increase in revenue for the current quarter and period.

B2. Comment on material change in profit before tax

	Current quarter RM'000	Preceding quarter RM'000	Variance	
			RM'000	%
Revenue	24,127	20,240	3,887	19.2
Profit before tax	1,286	2,398	(1,112)	(46.4)

The Group recorded a revenue of RM24.127 million as compared to preceding quarter of RM20.240 million. The increase of RM3.887 million in revenue was mainly due to higher demand in current quarter. The Group recorded a profit before tax for current quarter of RM1.286 million as compared to the preceding quarter of RM2.398 million. The decrease in profit before tax of RM1.112 million mainly due to lower profit margin products incurred in current quarter.

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 in the next six months 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 September 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	677	1,190
Deferred tax	(30)	(46)
	<u>647</u>	<u>1,144</u>

The effective tax rate of the Group is higher than the statutory tax rate of 24% mainly due to non-deductible expenses incurred in certain subsidiaries.



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B7. Status of corporate proposals

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

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 September 2022		
	Short term RM'000	Long term RM'000	Total RM'000
<i>Secured</i>			
Bank overdrafts	35	-	35
Bankers' acceptances	3,729	-	3,729
Term loans	6,586	43,738	50,324
	<u>10,350</u>	<u>43,738</u>	<u>54,088</u>

	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' acceptances	2,554	-	2,554
Term loans	3,593	21,205	24,798
	<u>8,067</u>	<u>21,205</u>	<u>29,272</u>

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

	As at 30 September 2022		
	Short term RM'000	Long term RM'000	Total RM'000
Vietnamese Dong	2,503	-	2,503

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

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)	1,029	3,126
Weighted average number of ordinary shares in issue (units)	251,672,722	251,665,330
Basic earnings per ordinary share (sen)	0.41	1.24

Diluted earnings per share

	Current quarter	Period to date
Profit attributable to owners of the Company (RM'000)	1,029	3,126
Weighted average number of ordinary shares in issue (units)	251,672,722	251,665,330
Shares deemed to be issued for no consideration: Employees' share options in issues	11,415,393	11,202,254
	263,088,115	262,867,584
Diluted earnings per ordinary share (sen)	0.39	1.19

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:		
Depreciation	1,447	2,673
Finance costs	484	792
Loss on short term investment	2	1
and after crediting:		
Amortisation of deferred income on government grants	34	67
Gain on disposal of property, plant and equipment	-	1
Foreign currency exchange gain	612	1,245
Interest income	41	57
Reversal on allowance for inventories written down, net	329	79

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 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 17 November 2022.