



YBS INTERNATIONAL BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the three months ended 30 June 2023 - unaudited

	Current quarter Three months ended 30 June		Cumulative quarter Three months ended 30 June	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	21,827	20,240	21,827	20,240
Cost of sales	(19,971)	(15,770)	(19,971)	(15,770)
Gross profit	1,856	4,470	1,856	4,470
Other operating income	1,182	940	1,182	940
Selling and distribution expenses	(420)	(206)	(420)	(206)
Administrative expenses	(2,883)	(2,498)	(2,883)	(2,498)
Operating (loss)/profit	(265)	2,706	(265)	2,706
Finance costs	(693)	(308)	(693)	(308)
(Loss)/Profit before tax	(958)	2,398	(958)	2,398
Income tax expense	(93)	(497)	(93)	(497)
(Loss)/Profit after tax	(1,051)	1,901	(1,051)	1,901
Other comprehensive (loss)/income: <i>Item that may be reclassified subsequently to profit or loss</i>				
Foreign currency exchange differences on translation of foreign operations	(17)	(40)	(17)	(40)
Total comprehensive (loss)/income	(1,068)	1,861	(1,068)	1,861
(Loss)/Profit after tax attributable to:				
Owners of the Company	(815)	2,097	(815)	2,097
Non-controlling interests	(236)	(196)	(236)	(196)
(Loss)/Profit after tax	(1,051)	1,901	(1,051)	1,901
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(832)	2,057	(832)	2,057
Non-controlling interests	(236)	(196)	(236)	(196)
Total comprehensive (loss)/income	(1,068)	1,861	(1,068)	1,861



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued) For the three months ended 30 June 2023 - unaudited

	Current quarter		Cumulative quarter	
	Three months ended		Three months ended	
	30 June		30 June	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(Loss)/Earnings per share attributable to owners of the Company (sen)				
Basic	(0.32)	0.83	(0.32)	0.83
Diluted	(0.31)	0.80	(0.31)	0.80

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023 and the accompanying notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	30 June 2023 (Unaudited) RM'000	31 March 2023 (Audited) RM'000
Non-current assets		
Property, plant and equipment	80,295	79,277
Right-of-use assets	16,484	16,666
Goodwill	10,656	10,656
Deferred tax assets	490	470
	<u>107,925</u>	<u>107,069</u>
Current assets		
Inventories	15,861	17,172
Receivables, deposits and prepayments	19,369	18,974
Current tax assets	807	643
Short term investment	2,344	2,329
Fixed deposits with licensed banks	3,703	4,184
Cash and bank balances	8,921	9,540
	<u>51,005</u>	<u>52,842</u>
Total assets	<u>158,930</u>	<u>159,911</u>
Equity		
Share capital	37,335	37,310
Reserves	35,758	36,599
Equity attributable to owners of the Company	<u>73,093</u>	<u>73,909</u>
Non-controlling interests	2,047	1,502
Total equity	<u>75,140</u>	<u>75,411</u>
Non-current liabilities		
Borrowings	44,950	47,960
Hire purchase payables	797	916
Lease liabilities	493	369
Amount owing to related party	956	766
Deferred tax liabilities	694	750
Deferred income on government grants	1,636	1,272
	<u>49,526</u>	<u>52,033</u>
Current liabilities		
Payables and accrued liabilities	21,070	20,561
Amount owing to related party	144	1,128
Bank overdrafts	1,483	1,256
Borrowings	10,586	8,307
Hire purchase payables	483	483
Lease liabilities	498	732
	<u>34,264</u>	<u>32,467</u>
Total liabilities	<u>83,790</u>	<u>84,500</u>
Total equity and liabilities	<u>158,930</u>	<u>159,911</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.29</u>	<u>0.29</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 2023 and the accompanying notes attached to the interim financial statements.



YBS INTERNATIONAL BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the three months ended 30 June 2023 - 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 2023	37,310	749	603	35,246	73,908	1,503	75,411
Total comprehensive income for the period							
Loss after tax for the period	-	-	-	(815)	(815)	(236)	(1,051)
Other comprehensive income:							
- Foreign currency exchange differences on translation of foreign operations	-	-	(17)	-	(17)	-	(17)
	-	-	(17)	(815)	(832)	(236)	(1,068)
Transactions with owners							
Employee share option exercised	25	(8)	-	-	17	-	17
Subscription of additional shares in a subsidiary by non-controlling interest	-	-	-	-	-	780	780
	25	(8)	-	-	17	780	797
At 30 June 2023	37,335	741	586	34,431	73,093	2,047	75,140



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued) For the three months ended 30 June 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	-	-	-	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							
Employee share option exercised	11	(4)	-	-	7	-	7
At 30 June 2022	36,914	621	665	33,336	71,536	2,149	73,685

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 2023 and the accompanying notes attached to the interim financial statements.



YBS INTERNATIONAL BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For the three months ended 30 June 2023 – unaudited

	Three months ended 30 June	
	2023 RM'000	2022 RM'000
Cash flows from operating activities		
(Loss)/Profit before tax	(958)	2,398
Adjustments for:		
Depreciation of property, plant and equipment	1,376	890
Depreciation of investment properties	-	4
Depreciation of right-of-use assets	272	332
Amortisation of deferred income on government grants	(36)	(33)
Finance costs	693	308
Gain on disposal of property, plant and equipment	(2)	(1)
Inventories written down	220	250
Interest income	(41)	(16)
Unrealised gain on foreign exchange	(664)	(465)
Operating profit before working capital changes	<u>860</u>	<u>3,667</u>
Changes in working capital:		
Inventories	1,091	(2,751)
Receivables	(223)	(1,692)
Payables	509	4,072
Cash generated from operations	<u>2,237</u>	<u>3,296</u>
Interest paid	(27)	(8)
Interest received	41	16
Tax paid	(373)	(340)
Net cash from operating activities	<u>1,878</u>	<u>2,964</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,300)	(5,995)
Proceeds from disposal of property, plant and equipment	2	13
Net cash used in investing activities	<u>(2,298)</u>	<u>(5,982)</u>
Cash flows from financing activities		
Subscription of additional shares in a subsidiary by non-controlling interests	780	-
Grant received from government	400	-
Drawdown of term loans	2,018	6,221
Drawdown of bankers' acceptances	4,194	3,499
Repayment of bankers' acceptances	(4,292)	(3,061)
Repayment of hire purchase payables	(132)	(135)
Repayment of lease liabilities	(211)	(192)
Repayment of term loans	(3,376)	(2,600)
Repayment of related party	(808)	-
Proceed from issuance of shares	17	7
Net cash (used in)/from financing activities	<u>(1,410)</u>	<u>3,739</u>



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued) For the three months ended 30 June 2023 – unaudited

	Three months ended 30 June	
	2023 RM'000	2022 RM'000
Net (decrease)/increase in cash and cash equivalents	(1,830)	721
Effect of exchange differences	508	391
Cash and cash equivalents at beginning of financial period	14,163	11,370
Cash and cash equivalents at 30 June	<u>12,841</u>	<u>12,482</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	8,921	9,209
Fixed deposits with licensed banks	3,703	2,142
Short term investment	2,344	2,281
Bank overdrafts	(1,483)	(521)
Pledged deposits	(644)	(629)
	<u>12,841</u>	<u>12,482</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 2023 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 2023.

The consolidated financial statements of the Group for the financial year ended 31 March 2023 are available upon request from the Company’s registered office at 170-09-01, Livingston Tower, Jalan Argyll 10050 George Town, 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 2023.

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 2023.

The Group has adopted the MFRSs, Amendments to MFRSs and IC interpretations effective for the financial period beginning on or after 1 April 2023 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 134,000 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. Electronic manufacturing services - Involved in the manufacture and assembly of electronic components.
- iv. Paper products – Involved in the manufacture of corrugated and honeycomb boards and paper related 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 2023 was as follows:

	Precision engineering and plastic injection moulding	Precision machining and stamping	Electronic manufacturing services	Paper Products	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	3,637	9,760	1,449	6,981	21,827
Inter-segment revenue	857	160	-	-	1,017
Reportable segment profit	444	323	654	329	1,750
Reportable segment assets	39,600	100,520	2,660	29,170	171,950
Reportable segment liabilities	9,799	70,292	1,589	24,586	106,266



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A8. Segment information (continued)

Reconciliation of reportable segment profit:

	Year to date RM'000
Total profit for reportable segments	1,750
Depreciation and amortisation	(1,648)
Finance costs	(693)
Interest income	41
Unallocated corporate expenses	(125)
Elimination of inter-segment profits	(283)
Consolidated loss before tax	<u>(958)</u>

A9. Events after the end of the interim period

There were no events after the current financial period ended 30 June 2023 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 2023.

A11. Capital expenditure

The major additions of property, plant and equipment during the current quarter and financial period ended 30 June 2023 were as follows:

	Current quarter RM'000	Year to date RM'000
Additions	<u>2,300</u>	<u>2,300</u>

A12. Material commitments

As at 30 June 2023, the Group has the following material commitments:

	RM'000
Contracted but not provided for:	
Capital expenditure	<u>77</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 material related party transactions for 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		Year to date	
	Three months ended		Three months ended	
	30 June		30 June	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revenue:				
Precision engineering and plastic injection moulding	3,637	7,610	3,637	7,610
Precision machining and stamping	9,760	11,209	9,760	11,209
Electronic manufacturing services	1,449	68	1,449	68
Paper products	6,981	1,353	6,981	1,353
	<u>21,827</u>	<u>20,240</u>	<u>21,827</u>	<u>20,240</u>
Gross profit	1,856	4,470	1,856	4,470
(Loss)/Profit before tax	(958)	2,398	(958)	2,398
(Loss)/Profit after tax	<u>(1,051)</u>	<u>1,901</u>	<u>(1,051)</u>	<u>1,901</u>

The Group recorded revenue of RM21.827 million for the current quarter/period ended 30 June 2023 as compared to the preceding year corresponding quarter/period of RM20.240 million, which representing an increase of 7.8% that was mainly attributable to contributions from manufacture of paper products segment.

The Group recorded a loss before tax of RM0.958 million for the current quarter/period ended 30 June 2023 as compared to profit before tax in preceding year corresponding quarter/period of RM2.398 million. The decrease of RM3.356 million was mainly due to increase in operating costs and market demand soften in precision engineering and plastic injection moulding segment and precision machining and stamping segment.

Precision engineering and plastic injection moulding segment

Revenue for the current quarter/period ended 30 June 2023 was RM3.637 million, which decreased by 52.2% as compared to preceding year corresponding quarter/period of RM7.610 million was mainly due to a softening in market demand.

Precision machining and stamping segment

Revenue for the current quarter/period ended 30 June 2023 was RM9.760 million, representing a 12.9% decrease from revenue of RM11.209 million in the preceding year corresponding quarter/period. The decrease in revenue was mainly due to market demand soften.

Electronic manufacturing services segment

Revenue for the current quarter/period ended 30 June 2023 was RM1.449 million, representing an increase of RM1.381 million as compared to preceding year corresponding quarter/period of RM0.068 million. The increase in revenue was mainly due to higher demand from its existing and new customers.



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B1. Performance review (continued)

Paper products

Revenue for the current quarter/period ended 30 June 2023 was RM6.981 million, representing an increase of RM5.628 million compared to preceding year corresponding quarter/period of RM1.353 million. The increase in revenue was mainly attributed to the Group has expanded its production to produce corrugated paper boards, a departure from the preceding year corresponding quarter/period, which exclusively focused on manufacturing honeycomb paper products.

Gross profit

The Group recorded gross profit for the current quarter/period ended 30 June 2023 amounted to RM1.856 million, representing a decrease of 58% as compared to preceding year corresponding quarter/period of RM4.470 million. The decrease in gross profit mainly stems from softened market demand in precision engineering and plastic injection moulding segment and precision machining and stamping segment and low margin products.

B2. Comment on material change in profit before tax

	Current quarter RM'000	Preceding quarter RM'000	Variance	
			RM'000	%
Revenue	21,827	23,935	(2,108)	(8.8)
(Loss)/Profit before tax	(958)	24	(982)	(4,091.7)

The Group recorded a revenue of RM21.827 million as compared to preceding quarter of RM23.935 million. The decrease of RM2.108 million in revenue was mainly due to market demand soften. As a results of the lower revenue, the Group recorded a loss before tax for the current quarter of RM0.958 million as compared to profit before tax in the preceding quarter of RM0.024 million.

B3. Future prospects

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

In particular, 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 upholds its commitment to enhancing cost efficiency to achieve a stronger position in next nine months of 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 2023.

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.



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B6. Income tax expense

	Current quarter RM'000	Year to date RM'000
Income tax	149	149
Deferred tax	(56)	(56)
	<u>93</u>	<u>93</u>

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

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 June 2023		
	Short term RM'000	Long term RM'000	Total RM'000
<i>Secured</i>			
Bank overdrafts	1,483	-	1,483
Bankers' acceptances	3,517	-	3,517
Term loans	7,069	44,950	52,019
	<u>12,069</u>	<u>44,950</u>	<u>57,019</u>

	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>

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

	As at 30 June 2023		
	Short term RM'000	Long term RM'000	Total RM'000
Vietnamese Dong	1,703	-	1,703

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



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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.

B11. Loss per share

Basic loss per share

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

	Current quarter	Year to date
Loss after tax attributable to owners of the Company (RM'000)	815	815
Weighted average number of ordinary shares in issue (units)	253,909,407	253,909,407
Basic loss per ordinary share (sen)	0.32	0.32

Diluted loss per share

	Current quarter	Year to date
Loss after tax attributable to owners of the Company (RM'000)	815	815
Weighted average number of ordinary shares for basic loss per share (units)	253,909,407	253,909,407
Shares deemed to be issued for no consideration: Employees' share options in issues	9,333,403	9,333,403
	263,242,810	263,242,810
Diluted loss per ordinary share (sen)	0.31	0.31

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 2023 was not qualified.



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B13. Loss for the period

	Current quarter RM'000	Year to date RM'000
Loss for the period is arrived at after charging:		
Allowance for inventories written down	220	220
Depreciation	1,648	1,648
Finance costs	693	693
and after crediting:		
Amortisation of deferred income on government grants	36	36
Gain on disposal of property, plant and equipment	2	2
Interest income	41	41
Gain on foreign exchange	828	828

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 2023.

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 24 August 2023.