



**YEW LEE PACIFIC GROUP BERHAD**

Registration No. 202001036243 (1392564-D)  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

**YEW LEE PACIFIC GROUP BERHAD**

Registration No. 202001036243 (1392564-D)

(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income  
for the Second Quarter Ended 30 June 2023 <sup>(1)</sup>**

	Note	Individual Quarter		Cumulative Quarter	
		Unaudited Current Quarter 30.06.2023 RM'000	Unaudited Preceding Year Corresponding Quarter 30.06.2022 RM'000	Unaudited Current Year-to-date 30.06.2023 RM'000	Unaudited Preceding Year Corresponding Year-to-date 30.06.2022 RM'000
Revenue		5,093	8,445	10,553	18,243
Cost of sales		(4,020)	(5,988)	(7,639)	(12,614)
Gross profit		1,073	2,457	2,914	5,629
Other income		511	199	868	348
Administrative expenses		(1,864)	(4,602)	(3,678)	(6,270)
Selling and marketing expenses		(38)	(121)	(57)	(191)
Finance costs		(6)	(80)	(37)	(157)
Share of profit of an associate		2	2	45	85
Other expenses		(21)	(8)	(41)	(9)
(Loss) / Profit before tax	B12	(343)	(2,153)	14	(565)
Income tax	B5	(39)	(243)	(159)	(608)
Loss after tax		(382)	(2,396)	(145)	(1,173)
Other comprehensive (loss)/ income:					
- Foreign currency translation of foreign operation		6	2	11	2
- Share of other comprehensive loss of an associate		(7)	-	(13)	-
Total comprehensive loss for the financial period		(383)	(2,394)	(147)	(1,171)
Loss attributable to:					
- Owners of the Company		(382)	(2,396)	(145)	(1,172)
- Non-controlling interest		(4) <sub>-</sub>	-	(4) <sub>-</sub>	(1)
		(382)	(2,396)	(145)	(1,173)
Total comprehensive loss attributable to:					
- Owners of the Company		(383)	(2,394)	(147)	(1,170)
- Non-controlling interest		(4) <sub>-</sub>	-	(4) <sub>-</sub>	(1)
		(383)	(2,394)	(147)	(1,171)
Loss per share ("LPS")					
- Basic (Sen) <sup>(2)</sup>	B11	(0.07)	(0.45)	(0.03)	(0.22)
- Diluted (Sen) <sup>(3)</sup>	B11	(0.07)	(0.45)	(0.03)	(0.22)

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**Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the Second Quarter Ended 30 June 2023 <sup>(1)</sup> (Continued)**

**NOTES:**

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic EPS is calculated based on the Company's share capital of 532,435,600 ordinary shares.
- (3) Diluted EPS is calculated based on the Company's share capital of 532,435,600 ordinary shares.
- (4) Represents less than RM1,000.

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**YEW LEE PACIFIC GROUP BERHAD**

Registration No. 202001036243 (1392564-D)

(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statements of Financial Position****As At 30 June 2023 <sup>(1)</sup>**

	Unaudited As at 30.06.2023 RM'000	Audited As at 31.12.2022 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	19,774	10,699
Right-of-use assets	52	7,557
Investment in an associate company	458	449
	<u>20,284</u>	<u>18,705</u>
<b>Current assets</b>		
Inventories	5,486	5,778
Trade receivables	2,864	4,480
Other receivables, deposits and prepayments	101	330
Tax recoverable	1,191	364
Short-term investment funds	32,657	30,125
Fixed deposits with licensed banks	9,030	14,030
Cash and bank balances	6,596	7,928
	<u>57,924</u>	<u>63,035</u>
<b>Total assets</b>	<b><u>78,209</u></b>	<b><u>81,740</u></b>
<b>Equity</b>		
Share capital	66,966	66,966
Merger reserves	(31,197)	(31,197)
Foreign currency translation reserve	(59)	(57)
Retained earnings	38,085	38,230
	<u>73,795</u>	<u>73,942</u>
Non-controlling interests	(1)	(1)
<b>Total equity</b>	<b><u>73,794</u></b>	<b><u>73,941</u></b>
<b>Non-current liabilities</b>		
Bank borrowings	B8 -	2,685
Lease liabilities	29	41
Deferred tax liabilities	1,006	1,006
	<u>1,035</u>	<u>3,732</u>
<b>Current liabilities</b>		
Trade payables	2,528	2,265
Other payables and accruals	827	1,678
Bank borrowings	B8 -	98
Lease liabilities	25	26
	<u>3,380</u>	<u>4,067</u>
<b>Total liabilities</b>	<b><u>4,415</u></b>	<b><u>7,799</u></b>
<b>Total equity and liabilities</b>	<b><u>78,209</u></b>	<b><u>81,740</u></b>
Net assets per share (Sen) <sup>(2)</sup>	<u>13.86</u>	<u>13.89</u>
Gearing ratio (times)	<sup>(3)</sup> -	<u>0.04</u>

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**Unaudited Condensed Consolidated Statements of Financial Position  
As At 30 June 2023 <sup>(1)</sup> (Continued)****NOTES:**

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Financial Position are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the number of ordinary shares in issue of 532,435,600 shares as at 30 June 2023 (31 December 2022: 532,435,600 shares).
- (3) Represents less than 0.01%

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## YEW LEE PACIFIC GROUP BERHAD

Registration No. 202001036243 (1392564-D)

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### Unaudited Condensed Consolidated Statements of Changes in Equity for the Period Ended 30 June 2023 <sup>(1)</sup>

	----- Attributable to Owners of the Company -----								
	-----Non-Distributable-----				Distributable		Sub-Total	Non-Controlling Interest	Total Equity
	Share Capital	Invested Equity	Merger Reserves	Foreign Currency Translation Reserve	Retained Earnings	RM'000			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 31 December 2021/ 1 January 2022 (Audited)	(2) -	350	-	(60)	41,276	41,566	(2) -	41,566	
<b>Transaction with owners:</b>									
Acquisition of subsidiaries	-	(350)	(31,197)	-	-	(31,547)	-	(31,547)	
Issuance of shares pursuant to acquisition of subsidiaries	31,547	-	-	-	-	31,547	-	31,547	
Issuance of share pursuant to public issue	37,270	-	-	-	-	37,270	-	37,270	
Transaction cost related to IPO issuance	(1,851)	-	-	-	-	(1,851)	-	(1,851)	
Dividend paid	-	-	-	-	(1,597)	(1,597)	-	(1,597)	
	66,966	(350)	(31,197)		(1,597)	33,822		33,822	
Loss for the financial year	-	-	-	-	(1,449)	(1,449)	(1)	(1,450)	
Other comprehensive income	-	-	-	3	-	3	(2) -	3	
Total comprehensive profit/ (loss) for the financial year	-	-	-	3	(1,449)	(1,446)	(1)	(1,447)	
<b>Balance as at 31 December 2022 / 1 January 2023 (Audited)</b>	<b>66,966</b>	<b>-</b>	<b>(31,197)</b>	<b>(57)</b>	<b>38,230</b>	<b>73,942</b>	<b>(1)</b>	<b>73,941</b>	

#### NOTES:

(1) The basis of preparation of the above Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.

(2) Represents less than RM1,000.

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**Unaudited Condensed Consolidated Statements of Changes in Equity  
for the Period Ended 30 June 2023 <sup>(1)</sup> (Continued)**

	----- Attributable to Owners of the Company -----				Sub-Total	Non-Controlling Interests	Total Equity
	-----Non-Distributable-----		Distributable				
	Share Capital	Merger Reserves	Foreign Currency Translation Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 31 December 2022 / 1 January 2023 (Audited)	66,966	(31,197)	(57)	38,230	73,942	(1)	73,941
<u>Transaction with owners:</u>							
Loss for the financial period	-	-	-	(145)	(145)	<sup>(2)</sup> -	(145)
Other comprehensive income	-	-	(2)	-	(2)	<sup>(2)</sup> -	(2)
Total comprehensive profit for the financial period	-	-	(2)	(145)	(147)	<sup>(2)</sup> -	(147)
<b>Balance as at 30 June 2023</b>	<b>66,966</b>	<b>(31,197)</b>	<b>(59)</b>	<b>38,085</b>	<b>73,795</b>	<b>(1)</b>	<b>73,794</b>

**NOTES:**

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.
- (2) Represents less than RM1,000.

**YEW LEE PACIFIC GROUP BERHAD**

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**Unaudited Condensed Consolidated Statements of Cash Flows  
for the Second Quarter Ended 30 June 2023 <sup>(1)</sup>**

	<b>Unaudited Current Year-to-date 30.06.2023 RM'000</b>	<b>Unaudited Preceding Year-to-date 30.06.2022 RM'000</b>
<b>Cash flow from operating activities</b>		
Profit / (Loss) before tax	14	(565)
Adjustment for: -		
Amortisation of right-of-use assets	13	212
Recovered of impairment of trade receivables	(10)	(3)
Depreciation of property, plant and equipment	752	495
Fair value gain on short-term investment	(532)	-
Finance costs	37	157
Gain on disposal of non-current assets	(13)	-
Interest income	(201)	(112)
Property, plant and equipment written off	-	1
Share of profit result of an associate	(45)	(85)
Unrealised loss / (gain) on foreign exchange, net	21	(4)
<b>Operating profit before working capital changes</b>	<b>36</b>	<b>96</b>
Changes in working capital:		
Inventories	325	370
Trade and other receivables	1,762	594
Trade and other payables	(522)	415
Cash generated from operations	1,601	1,475
Tax paid	(987)	(100)
Net cash generated from operating activities	614	1,375
<b>Cash flow from investing activities</b>		
Interest received	169	112
Purchase of property, plant and equipment	(2,319)	(250)
Proceed from disposal of non-current assets	38	-
Net cash used in investing activities	(2,112)	(138)
<b>Cash flow from financing activities</b>		
Drawdown of term loan	203	218
Finance costs paid	(37)	(157)
Issuance of IPO shares	-	35,983
Placement on short-term money market fund	(2,000)	-
Repayment of lease liabilities	(12)	(234)
Repayment of term loans	(2,986)	(109)
Net cash (used in) / generated from financing activities	(4,832)	35,701
Net (decrease) / increase in cash and cash equivalents	(6,330)	36,938
Effect of foreign currency translation	(2)	2
Cash and cash equivalents at beginning of the financial period	21,958	19,813
<b>Cash and cash equivalents at end of the financial period</b>	<b>15,626</b>	<b>56,753</b>

**NOTE:**

1. The basis of preparation of the above Unaudited Condensed Consolidated Statements of Cash Flows are detailed in Note A1 and the accompanying explanatory notes attached to this interim financial report.

## YEW LEE PACIFIC GROUP BERHAD

Registration No. 202001036243 (1392564-D)

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### PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

#### Notes To the Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2023

##### A1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Boards (“MASB”) and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2022 as disclosed in the Annual Report. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

##### A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the Group’s latest audited financial statements, except for the adoption of the following new MFRSs and amendments to MFRSs which became effective as disclosed as follow:

MFRS (Including the Consequential Amendments)		Effective Date
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023

The adoption of the above accounting standards and amendments have no material impact to the unaudited condensed consolidated financial statements of the Group.

The Group has not applied in advance the following MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the current financial period:

MFRS (Including the Consequential Amendments)		Effective Date
Amendments to MFRS 7	Financial Instruments: Disclosures - Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 16	Leases - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies	1 January 2024
Amendments to MFRS 107	Statement of Cash Flows - Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 10	Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

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### PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONTINUED)

#### A2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MFRS (Including the Consequential Amendments)		Effective Date
Amendments to MFRS 128	Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The adoption of the above MFRSs and amendments to MFRSs are expected to have no material impact on the financial statements of the Group in the period of initial application.

#### A3. MATERIAL CHANGES IN ACCOUNTING ESTIMATES

There were no material changes in accounting estimates during the current financial quarter under review.

#### A4. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report for the preceding financial year ended 31 December 2022 was issued without any qualifications.

#### A5. SEASONAL OR CYCLICAL FACTORS

The nature of the Group’s business was not subject to any seasonal and cyclical factors during the current financial quarter under review.

#### A6. ITEMS OR INCIDENCE OF AN UNUSUAL NATURE

There were no material and unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter under review.

#### A7. MATERIAL SUBSEQUENT EVENT

There were no other material events subsequent to the end of the current financial quarter under review that have not been reflected in the interim financial report.

#### A8. DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

#### A9. DIVIDEND PAID

There were no dividends paid during the financial quarter under review.

**YEW LEE PACIFIC GROUP BERHAD**

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**PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONTINUED)****A10. SEGMENTAL INFORMATION**

The Group is principally engaged and organised into business units based on business by product related activities and has three reportable segments as follows:

- (a) Manufacturing segment – Consist mainly the manufacturing of industrial brushes;
- (b) Trading segment – Consist of trading of industrial hardware and machinery parts; and
- (c) Investment holding – Investment holding operations

The Group operates predominantly in Malaysia and hence, no geographical segment presented.

<b>Result for current quarter 30.06.2023</b>	<b>Manufacturing segment RM'000</b>	<b>Trading segment RM'000</b>	<b>Investment holding RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>Revenue</u></b>					
External revenue	2,664	2,444	-	(15)	5,093
Elimination of inter-segment revenue	(9)	(6)	-	15	-
	<b>2,655</b>	<b>2,438</b>	<b>-</b>	<b>-</b>	<b>5,093</b>
<b><u>Results</u></b>					
Segment profit / (loss)	(139)	(264)	64	-	(339)
Finance costs	-	(6)	-	-	(6)
Share of profit of an associate	2	-	-	-	2
Segment profit / (loss) before tax	(137)	(270)	64	-	(343)
Tax expenses	(39)	-	-	-	(39)
Segment profit / (loss) after tax	(176)	(270)	64	-	(382)
<b><u>Assets and liabilities as at 30.06.2023</u></b>					
<b><u>Assets</u></b>					
Segment assets	41,276	11,488	27,683	-	80,447
Elimination of inter-segment balances	(2,238)	-	-	-	(2,238)
	<b>39,038</b>	<b>11,488</b>	<b>27,683</b>	<b>-</b>	<b>78,209</b>
<b><u>Liabilities</u></b>					
Segment liabilities	1,827	2,567	2,259	-	6,653
Elimination of inter-segment balances	-	-	(2,238)	-	(2,238)
	<b>1,827</b>	<b>2,567</b>	<b>21</b>	<b>-</b>	<b>4,415</b>

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### PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONTINUED)

#### A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation of property, plant and equipment during the current financial quarter under review.

#### A12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group during the current financial quarter under review.

#### A13. CAPITAL COMMITMENTS

The capital commitments of the Group were as follows: -

	Unaudited As at 30.06.2023 RM'000	Unaudited As at 30.06.2022 RM'000
<b><u>Approved and contracted for:</u></b>		
Property, plant and equipment	5,689	-

#### A14. CONTINGENT ASSETS OR CONTINGENT LIABILITIES

There were no contingent assets and contingent liabilities as at the date of this interim financial report.

#### A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no related party transactions during the current financial quarter under review.

#### A16. FAIR VALUE OF FINANCIAL LIABILITIES

There was no gain or loss arising from fair value changes of the Group's financial liabilities for the current financial quarter under review.

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### PART B – EXPLANATORY NOTES PERSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

#### Notes To the Unaudited Condensed Consolidated Interim Financial Report for the Second Quarter Ended 30 June 2023

##### B1. REVIEW OF PERFORMANCE

	<u>Individual Quarter</u>		<u>Variance</u>	
	<u>Unaudited Current Quarter 30.06.2023</u>	<u>Unaudited Preceding Year Corresponding Quarter 30.06.2022</u>	<u>RM'000</u>	<u>%</u>
Revenue	5,093	8,445	(3,352)	(40)
Gross profit	1,073	2,457	(1,384)	(56)
Loss before tax	(343)	(2,153)	1,810	84
Loss after tax	(382)	(2,396)	2,014	84

The Group recorded revenue of RM5.1 million in the second quarter ended 30 June 2023 as compared to the preceding year corresponding quarter of RM8.4 million, representing a decrease of 40%. The decrease in revenue is mainly due to lesser sales order received from local and overseas customers.

The Group recorded a gross profit margin of 21% in the second quarter ended 30 June 2023 which shown significant decrease as compared to preceding year corresponding quarter of 29%. The decreased in the margin was mainly due to the unfavourable impact of fixed production cost compounded by the decrease in revenue.

The Group posted loss after tax of RM0.4 million in the current quarter as compared to loss after tax of RM2.4 million in the preceding year corresponding quarter. The loss in this quarter was mainly due to lower revenue generated as well as the increase in our administrative expenses such as additional payroll cost for new hires and variety of upkeep expenses. This loss was not as significant as compared with the preceding year corresponding quarter which was affected by a one-off listing expenses amounting to RM2.7million incurred when the Company got listed on 7 June 2022.

Nevertheless, the Group's sustainability is positive and it continues to generate gross operating profit from core operation activities. The Group will continue to closely monitor and adapt to the latest business environment by diversifying into other industries.

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### PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

#### B2. PERFORMANCE COMPARISON WITH PRECEDING QUARTER'S RESULTS

	<u>Individual Quarter</u>		<u>Variance</u>	
	<u>Unaudited</u> <u>Current</u> <u>Quarter</u> <u>30.06.2023</u> <u>RM'000</u>	<u>Unaudited</u> <u>Preceding</u> <u>Quarter</u> <u>31.03.2023</u> <u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	5,093	5,460	(367)	(7)
Gross profit	1,073	1,841	(768)	(42)
Profit before tax	(343)	357	(700)	(>100)
Profit after tax	(382)	237	(619)	(>100)

The Group recorded revenue of RM5.1 million in the second quarter ended 30 June 2023 as compared to the preceding quarter of RM5.4 million representing decrease of 7%. The decrease in revenue is mainly due to lesser sales order received from local and overseas customers.

The Group recorded a gross profit margin of 21% in the second quarter ended 30 June 2023 as compared to preceding quarter of 34%. The lower gross margin in current quarter under review was mainly due to the unfavourable impact of fixed production cost compounded by the decrease in revenue.

The Group posted loss after tax of RM0.4 million in the current quarter as compared to the profit of RM0.2 million in the preceding quarter. The loss in this quarter was mainly due to lower revenue generated as well as the increase in our administrative expenses such as additional payroll cost for new hires and variety of upkeep expenses.

#### B3. PROSPECTS AND OUTLOOK FOR THE CURRENT FINANCIAL YEAR

The rubber glove industry has been our major revenue contributor and our financial performance is in tandem with the performance of the rubber glove industry.

The rubber glove industry underwent oversupply from aggressive expansions coupled with excessive stockpiling during the pandemic which have led to market supply-demand imbalances in FYE 2022 and such situation is expected to be continued in 2023. Notwithstanding the current sentiment, the rubber glove industry is expected to recover within the horizon in view of the increasing glove usage from the overall hygiene awareness amongst consumers post pandemic.

In addition, the Group has implemented the following plans not only to secure existing core business in rubber glove industry but also exploring other opportunities, such as:

- a) to expand our range of industrial brushes by developing customisable industrial brushes and continue to strengthen our market position in the industrial brush industry in Malaysia as well as international markets;
- b) to explore and expand more industrial hardware and machinery parts in trading business segment; and
- c) to explore other market or industries such semiconductor, timber, glass and agricultural sector to expand our customer base whilst reducing our dependency on the rubber gloves industry.

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**PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)****B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT**

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review.

**B5. INCOME TAX EXPENSE**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Unaudited Current Year Quarter 30.06.2023 RM'000	Unaudited Preceding Year Corresponding Quarter 30.06.2022 RM'000	Unaudited Current Year-to-date 30.06.2023 RM'000	Unaudited Preceding Year Year-to-date 30.06.2022 RM'000
In respect of current period:				
Income tax expense <sup>(1)</sup>	43	243	160	608
Deferred tax expense	(4)	-	(1)	-
Effective tax rate (%)	(11)	(11)	1,136	(108)
Statutory tax rate (%)	24	24	24	24

**NOTE:**

(1) Income tax expense is recognised based on management's best estimate.

**B6. STATUS OF CORPORATE PROPOSALS**

There were no other corporate proposals announced but not implemented as at the date of this interim financial report.

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**PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)****B7. UTILISATION PROCEEDS FROM IPO**

Pursuant to the announcement made on Bursa Malaysia Securities Berhad's website on 18 May 2023, the company announced it intends to extend the timeframe and vary the utilisation of proceeds raised from its IPO amounting to approximately RM37.27 million. As at 30 June 2023, the status of the utilisation of proceeds arising from IPO is stated in the following manner:

<u>Utilisation of proceeds</u>	<u>Initial IPO allocation Proceeds RM'000</u>	<u>Revised IPO allocation Proceeds RM'000</u>	<u>Actual utilisation Amount RM'000</u>	<u>Unutilised to the revised IPO Proceeds RM'000</u>	<u>Revised timeframe for utilisation from Listing</u>
Purchase of additional manufacturing machineries and equipment	10,900	1,900	1,536	364	Within 24 months
Construction of new warehouse facility and office building	7,300	7,300	2,094	5,206	Within 24 months
Renovation of new office	1,800	1,800	-	1,800	Within 36 months
Repayment of bank borrowings	8,900	8,891	8,891	-	Within 12 months
Working capital requirements	4,570	4,579	2,985	1,594	Within 18 months
Estimated listing expenses	3,800	3,800	3,800	-	Within 1 month
Incorporate new subsidiary company in Thailand	-	9,000	1,175	7,825	Within 36 months
	<b>37,270</b>	<b>37,270</b>	<b>20,481</b>	<b>16,789</b>	

The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company dated 17 May 2022 and announcement made on Bursa Securities' website on 18 May 2023

**B8. BANK BORROWINGS**

	<u>Unaudited As at 30.06.2023 RM'000</u>	<u>Audited As at 31.12.2022 RM'000</u>
<b><u>Current</u></b>		
Lease liabilities	25	26
Term loans	-	98
	<u>25</u>	<u>124</u>
<b><u>Non-current</u></b>		
Lease liabilities	29	41
Term loans	-	2,685
	<u>29</u>	<u>2,726</u>

The bank borrowings are secured and denominated in Ringgit Malaysia.

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**PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)****B9. MATERIAL LITIGATION**

There were no material litigation involving the Group in the current financial quarter under review.

**B10. DIVIDEND**

No dividend has been declared or recommended by the Board for the current financial quarter under review.

**B11. (LOSS) / EARNINGS PER SHARE**

The basic and diluted LPS / EPS for the current financial quarter and financial year-to-date are computed as follows:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Unaudited Current Year Quarter 30.06.2023 RM'000	Unaudited Preceding Year Corresponding Quarter 30.06.2022 RM'000	Unaudited Current Year-to-date 30.06.2023 RM'000	Unaudited Preceding Year Year-to-date 30.06.2022 RM'000
Loss attributable to the Owners of the Company	(382)	(2,396)	(145)	(1,172)
Number of ordinary shares (in thousand)	532,436	532,436	532,436	532,436
Basic EPS (Sen) <sup>(1)</sup>	(0.07)	(0.45)	(0.03)	(0.22)
Diluted EPS (Sen) <sup>(2)</sup>	(0.07)	(0.45)	(0.03)	(0.22)

**NOTES:**

(1) Basic EPS is calculated based on the Company's share capital of 532,435,600 ordinary shares.

(2) Diluted EPS is calculated based on the Company's share capital of 532,435,600 ordinary shares.

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**PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)****B12. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Profit or loss before tax is arrived after charging/(crediting):

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Unaudited Current Year Quarter 30.06.2023 RM'000	Unaudited Preceding year Corresponding Quarter 30.06.2022 RM'000	Unaudited Current Year-to-date 30.06.2023 RM'000	Unaudited Preceding Year Year-to-date 30.06.2022 RM'000
Depreciation of property, plant and equipment	376	272	752	495
Amortisation of right-of-use assets	7	82	13	212
Interest income	(168)	(69)	(201)	(112)
Unrealised loss / (gain) on foreign exchange	31	7	21	(4)
Interest expense	6	80	37	157
Rental expense	2	3	4	4
Recover of impairment on trade receivables, net	(29)	(2)	(10)	(3)
Property, plant and equipment written off	-	1	-	1
Fair value gain on short-term investment	(259)	-	(532)	-
Gain on disposal of non-current assets	(13)	-	(13)	-

**B13. Authorisation for Issue**

The interim financial report was authorised for issue by the Board of Directors of the Company in accordance with a resolution passed by the Board of Directors on 24 August 2023.

**BY ORDER OF THE BOARD  
YEW LEE PACIFIC GROUP BERHAD**