



YX PRECIOUS METALS BHD (202101001245) (1401543-M)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2022⁽ⁱ⁾

	Note	Individual Quarter		Year-to-date	
		3 months ended		9 months ended	
		30/9/2022	30/9/2021 ⁽ⁱⁱ⁾	30/9/2022	30/9/2021 ⁽ⁱⁱ⁾
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	68,100	N/A	219,197	N/A
Cost of sales		(63,396)	N/A	(202,733)	N/A
Gross profit		4,704	N/A	16,464	N/A
Other income		74	N/A	205	N/A
Selling and distribution expenses		(373)	N/A	(1,100)	N/A
Administrative expenses		(1,424)	N/A	(5,567)	N/A
Other expenses		(79)	N/A	(304)	N/A
Profit from operations		2,902	N/A	9,698	N/A
Finance costs		(111)	N/A	(522)	N/A
Profit before tax	B13	2,791	N/A	9,176	N/A
Taxation	B4	(708)	N/A	(2,720)	N/A
Profit for the financial period		2,083	N/A	6,456	N/A
Profit attributable to:-					
Owners of the parent		2,083	N/A	6,456	N/A
Non-controlling interests		-	N/A	-	N/A
		2,083	N/A	6,456	N/A
Earnings per ordinary share attributable to equity holders of the parent (sen):-					
Basic earnings per share ⁽ⁱⁱⁱ⁾	B12	0.56	N/A	1.73	N/A
Diluted earnings per share ⁽ⁱⁱⁱ⁾	B12	0.56	N/A	1.73	N/A

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2022⁽ⁱ⁾**
(Cont'd)

Note	Individual Quarter		Year-to-date	
	3 months ended		9 months ended	
	30/9/2022	30/9/2021 ⁽ⁱⁱ⁾	30/9/2022	30/9/2021 ⁽ⁱⁱ⁾
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	2,083	N/A	6,456	N/A
Other comprehensive income	-	N/A	-	N/A
Total comprehensive income	2,083	N/A	6,456	N/A
Total comprehensive income attributable to:-				
Owners of the parent	2,083	N/A	6,456	N/A
Non-controlling interests	-	N/A	-	N/A
	2,083	N/A	6,456	N/A

Notes:

N/A - Not applicable

- (i) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 6 May 2022 included in the prospectus of YX Precious Metals Bhd ("YXPM" or "Company") dated 30 May 2022 ("Prospectus") and the accompanying explanatory notes attached to this interim financial report.
- (ii) This is the third interim financial report announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"). There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.
- (iii) Basic earnings per share and diluted earnings per share are calculated based on the profit attributable to owners of the Company divided by 372,150,000 ordinary shares in YXPM ("Share(s)") in issue as at 30 September 2022. There are no dilutive instruments at the end of the financial period.

YX PRECIOUS METALS BHD (202101001245) (1401543–M)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2022⁽ⁱ⁾**

	(Unaudited) As At 30/9/2022 RM'000	(Audited) As At 31/12/2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	3,657	1,894
Right-of-use asset	850	696
Deferred tax assets	61	61
	<u>4,568</u>	<u>2,651</u>
Current assets		
Inventories	72,182	49,089
Trade and other receivables	17,680	19,279
Current tax assets	*	*
Cash and bank balances	7,984	8,853
	<u>97,846</u>	<u>77,221</u>
TOTAL ASSETS	<u><u>102,414</u></u>	<u><u>79,872</u></u>
EQUITY AND LIABILITIES		
Share capital	82,889	-
Invested equity	-	17,600
Reserves	13,556	41,600
TOTAL EQUITY	<u>96,445</u>	<u>59,200</u>
LIABILITIES		
Non-current liabilities		
Lease liabilities	570	386
Deferred tax liabilities	67	67
	<u>637</u>	<u>453</u>
Current Liabilities		
Trade and other payables	1,211	1,994
Borrowings	2,133	17,309
Lease liabilities	200	203
Current tax liabilities	1,788	713
	<u>5,332</u>	<u>20,219</u>
TOTAL LIABILITIES	<u>5,969</u>	<u>20,672</u>
TOTAL EQUITY AND LIABILITIES	<u><u>102,414</u></u>	<u><u>79,872</u></u>
Net assets per share (RM)⁽ⁱⁱ⁾	0.26	0.23

YX PRECIOUS METALS BHD (202101001245) (1401543–M)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

(The figures have not been audited)

Notes:

- * Amount is less than RM1,000.
- (i) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 6 May 2022 included in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (ii) The net assets per share is calculated based on the net assets divided by 372,150,000 Shares in issue as at 30 September 2022 (31 December 2021: 260,502,000 Shares, factoring in that the Acquisitions (as defined in Note A5 below) which have been completed on 12 April 2022).

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YX PRECIOUS METALS BHD (202101001245) (1401543-M)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2022⁽ⁱ⁾⁽ⁱⁱ⁾**

	-----Attributable To Owners Of The Parent-----				Total RM'000
	---Non Distributable---		Distributable		
	Share Capital RM'000	Invested equity RM'000	Merger Reserve ⁽ⁱⁱⁱ⁾ RM'000	Retained Earnings RM'000	
Balance as at 1 January 2022	-	17,600	-	41,600	59,200
Profit for the financial period	-	-	-	6,456	6,456
Other comprehensive income, net of tax	-	-	-	-	-
	-	-	-	6,456	6,456
<i>Transactions with owners</i>					
Issuance of ordinary shares	83,361	(17,600)	(34,500)	-	31,261
Share issuance expenses	(472)	-	-	-	(472)
	82,889	(17,600)	(34,500)	-	30,789
Balance as at 30 September 2022	82,889	-	(34,500)	48,056	96,445

Notes:

- (i) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes In Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 6 May 2022 included in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (ii) This is the third interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding period available as no interim financial report was prepared for the comparative financial period concerned.
- (iii) The Group has applied the merger method of accounting as all the entities within the Group are under common control before and after the acquisition of Emas Assayer Sdn Bhd ("EASB"), Gemas Precious Metals Industries Sdn Bhd ("GPM"), GPM Refinery Sdn Bhd ("GRSB") and Yi Xing Goldsmith Sdn Bhd ("YXG").

Under the merger method of accounting, the retained earnings and other equity balances of the Group immediately before and after the combination and the results from the beginning of the accounting period to the date of the combination are those of EASB, GPM, GRSB and YXG.

YX PRECIOUS METALS BHD (202101001245) (1401543–M)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER
ENDED 30 SEPTEMBER 2022 ⁽ⁱ⁾**

	9 months ended 30/9/2022 RM'000	9 months ended 30/9/2021 ⁽ⁱⁱ⁾ RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	9,176	N/A
Adjustments for:-		
Depreciation of right-of-use asset	307	N/A
Depreciation of property, plant and equipment	186	N/A
Impairment of trade receivables	165	
Net unrealised loss on foreign exchange	7	N/A
Reversal on impairment of trade receivables	(124)	
Finance costs	522	N/A
	<hr/>	<hr/>
Operating profit before changes in working capital	10,239	N/A
Inventories	(23,092)	N/A
Trade and other receivables	1,547	N/A
Trade and other payables	(784)	N/A
	<hr/>	<hr/>
Cash used in operations	(12,090)	N/A
Interest paid	(505)	N/A
Tax paid	(1,645)	N/A
	<hr/>	<hr/>
Net cash used in operating activities	(14,240)	N/A
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,071)	N/A
	<hr/>	<hr/>
Net cash used in investing activities	(2,071)	N/A
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(17)	N/A
Proceeds from issuance of ordinary shares	31,261	N/A
Share issuance expenses	(472)	N/A
Net repayments of short term borrowings	(14,537)	N/A
Net repayments of lease liabilities	(159)	N/A
	<hr/>	<hr/>
Net cash from financing activities	16,076	N/A
	<hr/>	<hr/>

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(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER
ENDED 30 SEPTEMBER 2022 ⁽ⁱ⁾ (Cont'd)**

	9 months ended 30/9/2022 RM'000	9 months ended 30/9/2021 ⁽ⁱⁱ⁾ RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(235)	N/A
CASH & CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	8,214	N/A
EFFECT OF EXCHANGE RATES CHANGES	<u>5</u>	<u>N/A</u>
CASH & CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>7,984</u></u>	<u><u>N/A</u></u>
Represented by:-		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	7,984	N/A
Bank overdrafts	<u>-</u>	<u>N/A</u>
	<u><u>7,984</u></u>	<u><u>N/A</u></u>

Notes:

N/A - Not applicable

- (i) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 6 May 2022 included in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (ii) This is the third interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding period available as no interim financial report was prepared for the comparative financial period concerned.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. BASIS OF PREPARATION

The interim financial report of YX Precious Metals Bhd (“YXPM” or “Company”) and its subsidiaries (“Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: *Interim Financial Reporting* and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

This is the third interim financial report on the Company’s unaudited condensed consolidated financial results for the third quarter ended 30 September 2022 announced by the Company in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding year’s corresponding period.

This interim financial report should be read in conjunction with the Accountants’ Report dated 6 May 2022 as disclosed in the prospectus of the Company dated 30 May 2022 (“Prospectus”) and the accompanying notes attached to this interim financial report.

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 and disclosed in the Accountants’ Report dated 6 May 2022 included in the Prospectus.

The following MFRSs, Amendment to MFRSs and IC Interpretation have been issued but has not been early adopted by the Group.

Title	Effective Date
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>)	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont’d)

A3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

YXPM was incorporated in Malaysia under the Companies Act, 2016 on 11 January 2021 as a private limited company under the name of YX Precious Metals Sdn Bhd and was subsequently converted to a public limited company on 11 March 2021. The Company completed the acquisition of its subsidiaries, namely Emas Assayer Sdn Bhd (“**EASB**”), Gemas Precious Metals Industries Sdn Bhd (“**GPM**”), GPM Refinery Sdn Bhd (“**GRSB**”) and Yi Xing Goldsmith Sdn Bhd (“**YXG**”) on 12 April 2022.

In view of the above, there was no auditors’ report on the Group for preceding annual financial statements. However, the audited financial statements of the Company, EASB, GPM, GRSB and YXG for the financial year ended 31 December 2021 were not subject to any qualification. The preceding audited combined financial statements of the Group are prepared based on combination or aggregation of all of the audited financial statements of respective companies of the Group.

A4. SEASONAL OR CYCLICAL FACTORS

The Group’s business traditionally picks up before the main festive seasons in Malaysia.

A5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review and year-to-date.

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in the estimates during the current quarter under review and year-to-date.

A7. ISSUANCES, REPURCHASES AND REPAYMENTS OF DEBTS AND EQUITY INSTRUMENTS

On 18 August 2021, YXPM entered into a conditional share sale and purchase agreement to acquire the entire issued share capital of EASB, GPM, GRSB and YXG, respectively from Tomei Consolidated Berhad (“**Tomei**”) for a total purchase consideration of RM52,100,398, to be satisfied via the issuance of 260,501,990 new ordinary shares in YXPM (“**Share(s)**”) to Tomei at RM0.20 per Share (“**Acquisitions**”).

YXPM had on 29 March 2022, allotted 260,501,990 new Shares to Tomei pursuant to the Acquisitions. The Acquisitions was completed on 12 April 2022 and EASB, GPM, GRSB and YXG became a wholly-owned subsidiary of YXPM.

YXPM has also undertaken an initial public offering (“**IPO**”) comprising the public issue of 111,648,000 new Shares at an IPO price of RM0.28 in conjunction with the Company’s listing on the ACE Market of Bursa Securities. The listing of and quotation for the entire enlarged issued share capital of RM83,361,840 comprising 372,150,000 Shares on the ACE Market of Bursa Securities were completed on 23 June 2022.

Save as disclosed above, there were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities during the current quarter under review and year-to-date.

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(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**(The figures have not been audited)****PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)****A8. DIVIDEND PAID**

No dividend was paid during the current quarter under review and year-to-date.

A9. OPERATING SEGMENTAL INFORMATION

The business activities of the Group are predominantly located in Malaysia and as such, segment reporting by geographical location is not presented.

The Group has two reportable segments as follows:

Segments

Wholesale	Wholesaling of gold jewellery and other related products and services
Design and manufacture	Design and manufacturing of gold jewellery and other related products and services

Analysis of the Group's segment information for the current quarter and year-to-date under review is as follows:

	Individual Quarter 3 months ended			Year-to-date 9 months ended		
	Wholesale RM'000	Design and Manufacture RM'000	Total RM'000	Wholesale RM'000	Design and Manufacture RM'000	Total RM'000
30 September 2022						
Revenue						
Total sales	65,705	6,770	72,475	210,184	22,602	232,786
Inter-segment sales	(2,918)	(1,457)	(4,375)	(4,704)	(8,885)	(13,589)
External sales	62,787	5,313	68,100	205,480	13,717	219,197
Results						
Profit before tax	2,424	367	2,791	7,531	1,645	9,176
Tax expense	(677)	(31)	(708)	(2,388)	(332)	(2,720)
Profit for the period	1,747	336	2,083	5,143	1,313	6,456
30 September 2021						
Revenue						
Total sales	N/A	N/A	N/A	N/A	N/A	N/A
Inter-segment sales	N/A	N/A	N/A	N/A	N/A	N/A
External sales	N/A	N/A	N/A	N/A	N/A	N/A
Results						
Profit before tax	N/A	N/A	N/A	N/A	N/A	N/A
Tax expense	N/A	N/A	N/A	N/A	N/A	N/A
Profit for the period	N/A	N/A	N/A	N/A	N/A	N/A

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**(The figures have not been audited)****PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont’d)****A9. OPERATING SEGMENTAL INFORMATION (Cont’d)**

Analysis of the Group’s segment information for the current quarter and year-to-date under review is as follows: (cont’d)

Assets and liabilities as at	Wholesale	Design and	Total
30 September 2022	RM’000	Manufacture	RM’000
Assets		RM’000	
Segment assets	73,979	28,374	102,353
Unallocated assets			61
			<u>102,414</u>
Liabilities			
Segment liabilities	2,121	1,993	4,114
Unallocated liabilities			1,855
			<u>5,969</u>
30 September 2021			
Assets			
Segment assets	N/A	N/A	N/A
Unallocated assets			N/A
			<u>N/A</u>
Liabilities			
Segment liabilities	N/A	N/A	N/A
Unallocated liabilities			N/A
			<u>N/A</u>

Note:

This is the third interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter available as no interim financial report was prepared for the comparative financial period concerned.

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation of property, plant and equipment during the current quarter under review and year-to-date.

A11. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE CURRENT QUARTER

There were no significant events subsequent to the end of the current quarter under review.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022
(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont’d)

A12. CHANGES IN THE COMPOSITION OF THE GROUP

Save for the Acquisitions as disclosed in Note A7 above, there were no changes to the composition of the Group during the current quarter under review and year-to-date.

A13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 30 September 2022.

A14. COMMITMENTS

RM’000

Capital commitments

Capital expenditure in respect of purchase of property, plant and equipment

Approved but not contracted for

300

Save as disclosed above, there were no other material commitments as at 30 September 2022.

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

Save as disclosed below, there were no other significant related party transactions during the current quarter and year-to-date under review:

	Individual Quarter		Year-to-date	
	3 months ended		9 months ended	
	30/9/2022	30/9/2021⁽ⁱ⁾	30/9/2022	30/9/2021⁽ⁱ⁾
	RM’000	RM’000	RM’000	RM’000
Related companies				
Sales of goods	5,429	N/A	16,060	N/A
Purchase of goods	4,303	N/A	11,876	N/A
Hedging cost on gold price fluctuations	9	N/A	9	N/A
Related parties				
Sales of goods	117	N/A	638	N/A
Purchase of goods	31	N/A	226	N/A
Purchase of manufacturing tools	80	N/A	106	N/A
Rental of premises	61	N/A	172	N/A

Note:

This is the third interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

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(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**(The figures have not been audited)****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. PERFORMANCE REVIEW*****Comparison with previous year's corresponding quarter and financial year to-date***

	Individual Quarter 3 months ended		Year-to-date 9 months ended	
	30/9/2022 RM'000	30/9/2021 ⁽ⁱ⁾ RM'000	30/9/2022 RM'000	30/9/2021 ⁽ⁱ⁾ RM'000
Revenue				
Wholesale	62,787	N/A	205,480	N/A
Design and Manufacture	5,313	N/A	13,717	N/A
Total	68,100	N/A	219,197	N/A
Profit before tax				
Wholesale	2,424	N/A	7,531	N/A
Design and Manufacture	367	N/A	1,645	N/A
Total	2,791	N/A	9,176	N/A

Notes:

N/A - Not applicable

- (i) This is the third interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and financial year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

The Group recorded revenue of RM68.10 million and RM219.20 million for the current quarter and financial year-to-date ended 30 September 2022 respectively.

The Group's revenue was principally derived from the wholesale segment, representing 92.20% and 93.74% of the total revenue for the current quarter and financial year-to-date ended 30 September 2022 respectively. This was contributed mainly by the demands from East Malaysia and Peninsular Malaysia.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**(The figures have not been audited)****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)****B1. PERFORMANCE REVIEW (Cont'd)**

The Group's profit before tax of RM2.79 million for current quarter ended 30 September 2022 and RM9.18 million for the financial year-to-date after deducting total expenses (comprising administrative, selling and distribution, other expenses, and finance costs), with majority contributed from administrative expenses. The administrative expenses for current quarter and financial year-to-date were RM1.42 million and RM5.57 million, respectively, which comprised mainly IPO related expenses, staff costs, rental of premises and insurances.

Comparison with immediate preceding quarter's results

	3 months ended		Variance	
	30/9/2022	30/6/2022	RM'000	Percentage
	RM'000	RM'000		
Revenue	68,100	90,372	(22,272)	(24.64%)
Profit before tax (<i>before one-off IPO expenses</i>)	2,982	4,696	(1,714)	(36.50%)
One-off IPO expenses	191	2,309	(2,118)	(91.73%)
Profit before tax	2,791	2,387	404	16.93%

The Group's revenue for the current quarter ended 30 September 2022 has decreased by RM22.27 million or 24.64% to RM68.10 million due mainly to the decrease in sales volume of gold jewellery from wholesale segment as a result of lower demands from East Malaysia and Peninsular Malaysia, coupled with lower average gold jewellery selling price. Higher sales volume in the immediate preceding quarter was due to Hari Raya festive season.

Notwithstanding the above, the Group has recorded a higher profit before tax of RM2.79 million in the current quarter, representing an increase of RM0.40 million or 16.93% as compared to RM2.39 million in the immediate preceding quarter. This was mainly due to lower one-off IPO expenses.

Excluding the said one-off IPO expenses, the Group reported a profit before tax of RM2.98 million in the current quarter as compared to RM4.70 million in the immediate preceding quarter. The lower profit before tax recorded during the current quarter was due to lower revenue generated as mentioned above and lower gross profit margin arising from higher inventory carrying cost brought forward from previous quarter.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**(The figures have not been audited)****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)****B2. COMMENTARY ON PROSPECTS**

The Group anticipates that business conditions will likely remain challenging, primarily influenced by geo-political risks, the fluctuations of global gold prices, foreign exchange rate and local jewellery demands with uncertainties continuing to affect the global and local markets.

Notwithstanding the above, the Group shall remain vigilant and will take necessary measures to ensure that the financial performance of the Group remain satisfactory for the financial year ending 31 December 2022.

B3. PROFIT FORECAST, PROFIT ESTIMATE OR PROFIT GUARANTEE

The Group has not issued any profit forecast, profit estimate or profit guarantee in any public document.

B4. TAXATION

	Individual Quarter		Year-to-date	
	3 months ended		9 months ended	
	30/9/2022	30/9/2021⁽ⁱ⁾	30/9/2022	30/9/2021⁽ⁱ⁾
	RM'000	RM'000	RM'000	RM'000
Current taxation	708	N/A	2,720	N/A
Deferred taxation	-	N/A	-	N/A
	708	N/A	2,720	N/A
Effective tax rate (%)	25.37	N/A	29.64	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

The effective tax rate of the Group for the current quarter and financial year-to-date are higher than the statutory tax rate of 24% due mainly to the one-off IPO expenses and certain expenses incurred which are not deductible for tax purposes.

Notes:

N/A - Not applicable

- (i) This is the third interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**(The figures have not been audited)****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)****B5. CORPORATE PROPOSALS**

There are no corporate proposals announced by the Company but not completed as at the date of this interim financial report.

B6. UTILISATION OF PROCEEDS FROM IPO

The status of utilisation of proceeds from IPO as at 30 September 2022 is as follows:

Purposes	Proposed utilisation	Actual utilisation	Balance unutilised	Deviation	Estimated time frame for use (from the Listing Date)
	RM'000	RM'000	RM'000	RM'000	
Purchase of new machinery and equipment for expansion of hollow gold jewellery range	4,400	-	4,400	-	Within 24 months
Expansion and upgrading of operational facilities	2,500	-	2,500	-	Within 24 months
Working capital					
- Purchase of raw materials	20,861	21,389	-	528 ⁽¹⁾	Within 12 months
Estimated listing expenses	3,500	2,972	-	(528) ⁽¹⁾	Within 3 months
Total	31,261	24,361	6,900	-	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 30 May 2022.

Note:

- ⁽¹⁾ Pursuant to Section 4.4.4 of the Company's Prospectus dated 30 May 2022, if the actual listing expenses are higher than budgeted, the deficit will be funded by internally generated funds. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital purposes.

As such, the excess of RM0.53 million was utilised for working capital purposes.

YX PRECIOUS METALS BHD (202101001245) (1401543–M)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

(The figures have not been audited)

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**B7. LOANS AND BORROWINGS**

As at 30 September 2022, the Group has total borrowings of RM2.13 million, all of which are denominated in Ringgit Malaysia.

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
Bankers' acceptances	-	2,133	2,133
Non-current	-	-	-
	<u>-</u>	<u>2,133</u>	<u>2,133</u>

B8. DERIVATIVE FINANCIAL INSTRUMENTS

As at 30 September 2022, the Group does not have any derivative financial instruments.

B9. FAIR VALUE OF FINANCIAL LIABILITIES

There was no gain or loss arising from fair value changes of financial liabilities for the current quarter under review and year-to-date as the Group did not have any financial liabilities measured at fair value.

B10. CHANGES IN MATERIAL LITIGATIONS

There were no material litigations during the current quarter under review up to the date of this interim financial report.

B11. DIVIDEND PAYABLE

No dividend has been declared or recommended for payment by the Board of Directors of the Company during the current quarter under review.

YX PRECIOUS METALS BHD (202101001245) (1401543–M)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**(The figures have not been audited)****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont’d)****B12. EARNINGS PER SHARE**

	Individual Quarter		Year-to date	
	3 months ended		9 months ended	
	30/9/2022	30/9/2021⁽ⁱ⁾	30/9/2022	30/9/2021⁽ⁱ⁾
	RM'000	RM'000	RM'000	RM'000
Consolidated profit for the financial period attributable to equity holders of the parent	2,083	N/A	6,456	N/A
Number of ordinary shares in issue ('000)	372,150	N/A	372,150	N/A
Basic earnings per share (sen) ⁽ⁱⁱ⁾	0.56	N/A	1.73	N/A
Diluted earnings per share (sen) ⁽ⁱⁱ⁾	0.56	N/A	1.73	N/A

Notes:

N/A - Not applicable

- (i) This is the third interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (ii) Basic earnings per share and diluted earnings per share is calculated based on the profit attributable to owners of the Company divided by 372,150,000 Shares in issue as at 30 September 2022. There are no dilutive instruments at the end of the financial period.

YX PRECIOUS METALS BHD (202101001245) (1401543–M)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**(The figures have not been audited)****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)****B13. PROFIT BEFORE TAX**

Profit before tax is arrived at after charging:

	Individual Quarter 3 months ended		Year-to date 9 months ended	
	30/9/2022 RM'000	30/9/2021 ⁽ⁱ⁾ RM'000	30/9/2022 RM'000	30/9/2021 ⁽ⁱ⁾ RM'000
Depreciation of property, plant and equipment	112	N/A	307	N/A
Depreciation of right-of-use asset	63	N/A	186	N/A
Finance costs	111	N/A	522	N/A
Net impairment on trade and other receivables	31	N/A	41	N/A
Net realised and unrealised loss on foreign exchange	46	N/A	139	N/A

Notes:

N/A - Not applicable

- (i) This is the third interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

Save for the above, the other disclosure items as required under Rule 16, Part A of Appendix 9B of the Listing Requirements are not applicable.

By Order of the Board

Secretary

Teoh Kok Jong (LS 04719/ PC No. 201908001451)

Dated : 22 November 2022