

YB Ventures Berhad

Registration Number: 200001013437 (516043-K)
(Incorporated in Malaysia)

Interim Financial Report 30 September 2023

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Condensed consolidated statement of financial position As at 30 September 2023

	Note	Unaudited 30.9.2023 RM'000	Audited 30.6.2023 RM'000
Assets			
Property, plant and equipment		177,161	177,661
Investment properties		24,027	24,091
Right-of-use assets		4,514	4,493
Intangible assets		791	882
Investment in associates		9,192	9,192
Other investment		16,383	19,562
Deferred tax assets		65	65
Total non-current assets		232,133	235,946
Inventories		48,576	52,082
Trade and other receivables		19,557	18,356
Current tax assets		753	717
Other investments		32,275	46,889
Cash and bank balances		21,443	15,742
Contract assets		2,680	3,062
Total current assets		125,284	136,848
Total assets		357,417	372,794
Equity			
Share capital		110,792	110,754
ICULS equity component		48,098	48,136
Reserves		155,137	169,890
Total equity		314,027	328,780
Liabilities			
Deferred tax liabilities		10,225	10,225
Lease liabilities	18	2,491	2,790
ICULS liability component		131	131
Total non-current liabilities		12,847	13,146
Trade and other payables		7,785	8,836
Lease liabilities	18	1,589	1,217
ICULS liability component		46	46
Loans and borrowings	18	21,082	20,751
Tax liabilities		41	18
Total current liabilities		30,543	30,868
Total liabilities		43,390	44,014
Total equity and liabilities		357,417	372,794
Net assets per share (RM)		1.08	1.13

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Condensed consolidated statement of comprehensive income for the period ended 30 September 2023 – unaudited

	Note	Individual 3 months ended 30 September		Cumulative 3 months ended 30 September	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue					
Goods sold	21	16,422	17,386	16,422	17,386
Dividend income	23	-	-	-	-
		<u>16,422</u>	<u>17,386</u>	<u>16,422</u>	<u>17,386</u>
Operating expenses		(29,042)	(29,032)	(29,042)	(29,032)
Operating loss		<u>(12,620)</u>	<u>(11,646)</u>	<u>(12,620)</u>	<u>(11,646)</u>
Interest income	23	86	371	86	371
Interest expense	23	(387)	(330)	(387)	(330)
Fair value gain on other quoted investment		1,345	3,323	1,345	3,323
Loss before tax		<u>(11,576)</u>	<u>(8,282)</u>	<u>(11,576)</u>	<u>(8,282)</u>
Taxation	16	-	48	-	48
Loss for the period		<u>(11,576)</u>	<u>(8,234)</u>	<u>(11,576)</u>	<u>(8,234)</u>
Other comprehensive (loss)/income					
Fair value (loss)/gain on long term quoted investment		(3,179)	734	(3,179)	734
Foreign currency translation		2	144	2	144
Total other comprehensive (loss)/income for the period		<u>(3,177)</u>	<u>878</u>	<u>(3,177)</u>	<u>878</u>
Total comprehensive loss for the period		<u>(14,753)</u>	<u>(7,356)</u>	<u>(14,753)</u>	<u>(7,356)</u>
Loss attributable to:					
Owners of the Company		(11,576)	(8,234)	(11,576)	(8,234)
Loss for the period		<u>(11,576)</u>	<u>(8,234)</u>	<u>(11,576)</u>	<u>(8,234)</u>
Total comprehensive loss attributable to:					
Owners of the Company		(14,753)	(7,356)	(14,753)	(7,356)
Total comprehensive loss for the period		<u>(14,753)</u>	<u>(7,356)</u>	<u>(14,753)</u>	<u>(7,356)</u>
Basic loss per ordinary share (sen)	22	<u>(3.97)</u>	<u>(2.83)</u>	<u>(3.97)</u>	<u>(2.83)</u>
Diluted loss per ordinary share (sen)	22	<u>(2.95)</u>	<u>(2.11)</u>	<u>(2.95)</u>	<u>(2.11)</u>

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Condensed consolidated statement of changes in equity for the period ended 30 September 2023 – unaudited

	←----- Attributable to owners of the Company ----->							Distributable
	←----- Non-distributable ----->							
	Share capital RM'000	ICULS - equity components RM'000	Treasury shares RM'000	Exchange fluctuation Revaluation RM'000	Fair value reserve RM'000	Revaluation RM'000	Retained earnings RM'000	Total equity RM'000
At 1 July 2023	110,754	48,136	(257)	4,490	(11,294)	76,753	100,198	328,780
Loss for the financial period	-	-	-	-	-	-	(11,576)	(11,576)
Fair value loss on equity investment at FVOCI	-	-	-	-	(3,179)	-	-	(3,179)
Foreign currency translation differences for foreign operations	-	-	-	2	-	-	-	2
Total comprehensive income/(loss) for the financial period	-	-	-	2	(3,179)	-	(11,576)	(14,753)
Transactions with owners:								
Issuance of ordinary shares	38	(38)	-	-	-	-	-	-
- conversion of ICULS	38	(38)	-	-	-	-	-	-
At 30 September 2023	<u>110,792</u>	<u>48,098</u>	<u>(257)</u>	<u>4,492</u>	<u>(14,473)</u>	<u>76,753</u>	<u>88,622</u>	<u>314,027</u>
At 1 July 2022	110,754	48,136	(257)	4,015	(10,560)	76,753	119,456	348,297
Loss for the financial period	-	-	-	-	-	-	(8,234)	(8,234)
Fair value gain on equity investment at FVOCI	-	-	-	-	734	-	-	734
Foreign currency translation differences for foreign operations	-	-	-	144	-	-	-	144
Total comprehensive income/(loss) for the financial period	-	-	-	144	734	-	(8,234)	(7,356)
At 30 September 2022	<u>110,754</u>	<u>48,136</u>	<u>(257)</u>	<u>4,159</u>	<u>(9,826)</u>	<u>76,753</u>	<u>111,222</u>	<u>340,941</u>

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Condensed consolidated statement of cash flow for the period ended 30 September 2023 – unaudited

	3 months ended 30 September 2023 RM'000	3 months ended 30 September 2022 RM'000
Cash flows from operating activities		
Loss before tax	(11,576)	(8,282)
Adjustments for:-		
Depreciation and amortisation	2,701	2,200
Changes in fair value of other investments	(1,345)	(3,323)
Write off of property, plant and equipment	1	17
Loss on disposal of other investments	4,081	3,213
Finance income	(86)	(371)
Finance costs	387	330
Inventories written down	-	(607)
Unrealised loss on foreign exchange	21	-
Operating loss before working capital changes	<u>(5,816)</u>	<u>(6,823)</u>
Changes in working capital:		
Change in inventories	3,506	(4,204)
Change in contract assets	382	1,475
Change in trade and other receivables	(1,201)	(1,743)
Change in trade and other payables	(1,051)	(18,832)
Cash used in operations	<u>(4,180)</u>	<u>(30,127)</u>
Tax refund	38	-
Tax paid	(51)	(130)
Net cash used in operating activities	<u>(4,193)</u>	<u>(30,257)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,617)	(4,076)
Acquisition of investment properties	(11)	(5)
Acquisition of other investments at FVOCI	-	235
Interest received	86	371
Decrease/(Increase) in fixed deposit pledge	4,921	(2,978)
Decrease in fixed deposits maturity more than 3 months	(2,688)	-
Net proceeds/(acquisition of) from other investments	11,878	-
Net cash generated from/(used in) investing activities	<u>12,569</u>	<u>(6,453)</u>

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Condensed consolidated statement of cash flow for the period ended 30 September 2023 – unaudited (continued)

	3 months ended 30 September 2023 RM'000	3 months ended 30 September 2022 RM'000
Cash flows from financing activities		
Interest paid	(387)	(330)
Repayments of lease liabilities	(362)	(355)
Drawdown of other borrowings	1,071	1,013
Net cash generated from financing activities	<u>322</u>	<u>328</u>
Net increase/(decrease) in cash and cash equivalents	8,698	(36,382)
Effect of exchange rate changes	(23)	144
Cash and cash equivalents at beginning of period	(1,939)	56,570
Cash and cash equivalents at end of period	<u><u>6,736</u></u>	<u><u>20,332</u></u>
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	12,665	10,301
Fixed deposits with licensed banks	8,778	15,318
	<u>21,443</u>	<u>25,619</u>
Less: Fixed deposits maturity more than 3 months	(3,189)	(5,279)
Less: Bank overdraft	(11,518)	(8)
	<u><u>6,736</u></u>	<u><u>20,332</u></u>

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Notes to the condensed consolidated interim financial statements

YB Ventures Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements of the Group as at and for the 3 months financial period ended 30 September 2023 comprise the Company and its subsidiaries (together referred to as the Group).

The consolidated financial statements of the Group as at and for the financial year ended 30 June 2023 are available upon request at the Company's registered office at:

Registered office

B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur,
Wilayah Persekutuan,
Malaysia

These condensed consolidated interim financial statements were approved by the Board of Directors on 29 November 2023.

1. Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and MFRS 134, Interim Financial Reporting in Malaysia and with IAS 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2023.

2. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 30 June 2023. The Group has adopted the following amendments to standards issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for the current financial period:

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2. Significant accounting policies (continued)

Amendments to MFRS 16	Covid-19-Related Rent Concessions	beyond 30 June 2021
Amendments to MFRS 3	Reference of the Conceptual Framework	
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	
MFRS 17	Insurance Contracts	1 January 2023
Amendments to 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 101	Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules	1 January 2023

Annual Improvements to MFRSs Standards 2018 - 2020:

- Amendments to MFRS 1
- Amendments to MFRS 9
- Amendments to MFRS 16
- Amendments to MFRS 141

The adoption of the amendments to standards did not have any significant impact on the financial statements of the Group and the Company.

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2. Significant accounting policies (continued)

Standards issued but not yet effective

The Group and the Company have not applied the following new standard and amendments to standards that have been issued by the MASB but are not yet effective:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group intends to adopt the above new standard and amendments to standards, if applicable, when they become effective.

The initial application of the above-mentioned new standard and amendment to standards are not expected to have any significant impacts on the financial statements of the Group.

3. Seasonality or cyclicity of interim operations

Generally, the Group does not have any significant seasonal sales cycle, except during the few months before Hari Raya and Chinese New Year, when sales would be slightly higher due to increased renovation works.

4. Unusual items affecting the assets, liabilities, equity, net income, or cash flows

There are no unusual items affecting the assets, liabilities, equity, net income, or cash flows of the Group for the current quarter and financial year-to-date.

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5. Material changes in estimates

There are no material changes in estimates for the current quarter and financial year-to-date.

6. Issuances, cancellations, repurchase, resale and repayments of debts and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review except for the following:

(a) Treasury shares

As at 30 September 2023, the number of treasury shares held in hand was 808,166 ordinary shares including 323,716 ordinary shares issued via bonus issue on the basis of 2 bonus shares for every 3 existing ordinary shares held in the Company at a total cost of RM256,687. The average cost per share is RM0.32.

(b) ICULS

As at 30 September 2023, a total of 950,000 ICULS at nominal value of RM0.04 each were converted into 79,166 new ordinary shares of RM0.48 each. The balance of outstanding ICULS in issue as at 30 September 2023 was 1,206,378,387.

7. Dividends paid

No dividend was paid for the current quarter.

8. Segment information

	3 months ended 30 September 2023 RM'000	3 months ended 30 September 2022 RM'000
Tiles manufacturing and trading income	16,422	17,386
Dividend income	-	-
Interest income	86	371

9. Material events subsequent to the end of the quarter

There were no material subsequent events from the end of the current interim financial period to the date of this report that has not been reflected in this report.

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Additional Information on Interim Financial Report required by the Bursa Malaysia Listing Requirements

10. Changes in the composition of the Group

During the quarter under review, there are no changes in the composition of the Group for the current quarter and financial year-to-date.

11. Contingent liabilities and contingent assets

Save as disclosed below, there were no other contingent liabilities and contingent assets as at the date of this interim report.

	RM'000
Corporate guarantee given to licenced financial institutions for credit facilities granted to subsidiaries	42,500

12. Review of Performance

	3 months ended 30 September 2023 RM'000	3 months ended 30 September 2022 RM'000
Revenue	16,422	17,386
Loss before tax	(11,576)	(8,282)

The revenue of the Group for the current quarter under review of RM16.4 million was lower than the corresponding quarter in 2022 of RM17.4 million.

The Group recorded a loss before tax of RM11.6 million for the current quarter under review as compared to a loss before tax of RM8.3 million for the corresponding quarter in 2022 due to lower sales and clearance of slow-moving inventories with lower margin.

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13. Variation of results against the preceding quarter

	Year 2024 Q1 RM'000	Year 2023 Q4 RM'000
Revenue	16,422	15,220
Loss before tax	(11,576)	(6,475)

For the current quarter under review, the Group registered a consolidated loss before tax of RM11.6 million compared to a loss before tax of RM6.5 million in the preceding quarter. This was due to higher operating expenses and clearance of slow-moving inventories with lower margin.

14. Current year prospects

The financial performance of the Group is mainly affected by the economic condition of the global and local economy, fluctuating operating costs and competition within the industry. The Company will continuously monitor the situation in order to make timely decisions and adjustments on the growth strategies.

15. Profit forecast

Not applicable.

16. Taxation

	3 months ended 30 September	
	2023 RM'000	2022 RM'000
Tax expense	-	-
Deferred tax expense	-	(48)
	<u>-</u>	<u>(48)</u>

The effective tax rate is lower than the statutory tax rate due to unrecognised deferred tax assets.

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17. (A) Status of corporate proposals announced

On 11 October 2021, the Company proposed to undertake a private placement of up to 20% of the total number of issued shares of the Company (excluding treasury shares) to independent third-party investors (“Private Placement”). The Private Placement was completed on 28 December 2021 following the listing of and quotation for 48,551,861 placement shares on the Main Market of Bursa Malaysia Securities Berhad.

As of the date of this report, the status of the utilisation of proceeds from the Private Placement is as follows: -

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Estimated Time Frame for Utilisation
Installation of rooftop solar photovoltaic system	16,000	9,525	Within 24 months
Working capital	913	913	Within 12 months
Estimated expenses	80	80	Within 3 months

(B) Status of uncompleted corporate proposals

There was no other corporate proposal announced but not completed as at the date of this report.

18. Group borrowings and debts securities

The Group’s borrowings as at 30 September 2023 and 30 September 2022 are presented as follows: -

	30 September 2023 RM'000	30 September 2022 RM'000
Long Term Borrowings		
Secured:-		
- Hire purchase creditors	906	1,250
- Lease creditors	1,585	2,223
	2,491	3,473
Short Term Borrowings		
Secured:-		
- Hire purchase creditors	344	325
- Lease creditors	1,245	1,091
	1,589	1,416
Secured:-		
- Bank borrowings	21,082	14,914
	22,671	16,330
Total	25,162	19,803

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19. Changes in material litigation

There are no pending material litigations as at the date of this quarterly report.

20. Dividends

No dividend has been recommended for the current quarter.

21. Revenue – Goods sold

	3 months ended 30 September 2023 RM'000	3 months ended 30 September 2022 RM'000
Timing and recognition		
At a point in time	12,619	12,869
Over time	3,803	4,517
	16,422	17,386

22. Loss per share

(a) Basic loss per share

Basic loss per share is based on the loss for the financial period or year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial period or year, calculated as follows:

	3 months ended 30 September 2023 RM'000	3 months ended 30 September 2022 RM'000
Loss attributable to owners of the Company	(11,576)	(8,234)
	Units ('000)	Units ('000)
Weighted average number of ordinary shares in issue		
Issued ordinary shares at beginning of financial period	291,311	290,503
Effect of conversion of ICULS	79	-
Weighted average number of ordinary shares in issue at end of financial period	291,390	290,503
Basic loss per shares (sen)	(3.97)	(2.83)

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22. Loss per share (continued)

(b) Diluted Loss per share

Diluted loss per share are based on the loss for the financial period or year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued from the exercise and/or conversion of all the dilutive potential ordinary shares into ordinary shares.

Potential ordinary shares are treated as dilutive when their exercise and/or conversion to ordinary shares would decrease earnings per share or increase loss per share. Conversely, potential ordinary shares are anti-dilutive when their exercise and/or conversion to ordinary shares would increase earnings per share or decrease loss per share. Accordingly, diluted loss per share are calculated as follows:

	3 months ended 30 September 2023 RM'000	3 months ended 30 September 2022 RM'000
Loss attributable to owners of the Company	(11,576)	(8,234)
Adjusted for:		
Interest savings on ICULS	-	-
	<u>(11,576)</u>	<u>(8,234)</u>
	Units ('000)	Units ('000)
Weighted average number of ordinary shares used in the calculation of basic earnings per shares (in shares)	291,390	290,503
Assume conversion of ICULS	<u>100,532</u>	<u>100,611</u>
Weighted average number of ordinary shares in issue at end of financial period (diluted)	<u>391,922</u>	<u>391,114</u>
Diluted loss per shares (sen)	(2.95)	(2.11)

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23. Loss for the period

	3 months ended 30 September 2023 RM'000	3 months ended 30 September 2022 RM'000
Loss for the period is arrived at after charging / (crediting):		
Depreciation and amortisation	2,701	2,200
Written off of property, plant and equipment	1	17
Loss on disposal of other investments	4,081	3,213
Changes in fair value of other investments	(1,345)	(3,323)
Dividend income	-	-
Finance costs	387	330
Finance income	(86)	(371)
Net realised foreign exchange (gain)/loss	(5)	207

Other than the above, there was no other investment income, written-off receivables, gain or loss on disposal of properties, impairment of assets, gain or loss on derivatives and exceptional items for the current quarter and financial year to date.