

Interim report for the twelve months ended 31 March 2022
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
 OTHER COMPREHENSIVE INCOME (UNAUDITED)**

	Individual Quarter			Year To Date		
	03 months ended			12 months ended		
	31/03/2022	31/03/2021	Changes	31/03/2022	31/03/2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	21,199	26,971	-21%	83,832	103,174	-19%
Cost of sales	(18,790)	(24,340)	-23%	(79,428)	(93,880)	-15%
Gross profit	2,409	2,631	-8%	4,404	9,294	-53%
Other income	241	1,303	-82%	527	1,642	-68%
Selling & distribution costs	(454)	(517)	-12%	(1,636)	(1,923)	-15%
Administrative expenses	(2,261)	(2,108)	7%	(7,858)	(7,591)	4%
Operating profit/(loss)	(65)	1,309	>-100%	(4,563)	1,422	>-100%
Finance cost	(530)	(627)	-15%	(2,138)	(2,510)	-15%
Profit/(loss) before taxation	(595)	682	>-100%	(6,701)	(1,088)	>100%
Taxation	5	0		0	(38)	
Profit/(loss) for the period / year (refer note 8)	(590)	682	>-100%	(6,701)	(1,126)	>100%
Other comprehensive income/(loss), net of tax :						
Item that maybe classified subsequently to profit/(loss) :						
Currency translation differences	0	0		0	0	
Total comprehensive income/(loss) for period/year	(590)	682	>-100%	(6,701)	(1,126)	>100%
Profit/(loss) attributable to :						
Owners of the Company	(115)	323	>-100%	(5,122)	(239)	>100%
Non-controlling interest	(475)	359	>-100%	(1,579)	(887)	78%
	(590)	682	>-100%	(6,701)	(1,126)	>100%
Total comprehensive income/(loss) attributable to :						
Owners of the Company	(115)	323	>-100%	(5,122)	(239)	>100%
Non-controlling interest	(475)	359	>-100%	(1,579)	(887)	78%
	(590)	682	>-100%	(6,701)	(1,126)	>100%
Profit/(loss) per share attributable to Owners of the Company :	Sen	Sen		Sen	Sen	
- basic / diluted	(0.11)	0.31		(4.98)	(0.23)	

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2021)

YLI HOLDINGS BERHAD (Registration No. 199501038047 / 367249 A)

Interim report for the twelve months ended 31 March 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	31/03/2022 RM'000	31/03/2021 RM'000
	(unaudited)	(unaudited)
ASSETS		
Non-current asset		
Property, plant and equipment	72,829	75,021
Total non-current asset	<u>72,829</u>	<u>75,021</u>
Current assets		
Inventories	66,985	56,503
Trade and other receivables	33,817	51,828
Tax recoverable	432	425
Deposits, bank and cash balances	10,276	14,318
Total current assets	<u>111,510</u>	<u>123,074</u>
TOTAL ASSETS	<u><u>184,339</u></u>	<u><u>198,095</u></u>
EQUITY AND LIABILITIES		
Equity attributed to equity holders of parent		
Share capital	110,159	110,159
Capital reserve	(1,467)	(1,467)
Treasury shares	(108)	(108)
Retained earnings	7,530	12,652
	<u>116,114</u>	<u>121,236</u>
Non-controlling interest	(12,372)	(10,793)
Total equity	<u>103,742</u>	<u>110,443</u>
Non-current liabilities		
Deferred tax liabilities	767	779
Lease liabilities	219	462
Total non-current liabilities	<u>986</u>	<u>1,241</u>
Current liabilities		
Trade and other payables	32,673	40,180
Bank overdraft	4,875	3,081
Lease liabilities	153	301
Short term borrowings	41,908	42,849
Provision for taxation	2	0
Total current liabilities	<u>79,611</u>	<u>86,411</u>
Total liabilities	<u>80,597</u>	<u>87,652</u>
TOTAL EQUITY AND LIABILITIES	<u><u>184,339</u></u>	<u><u>198,095</u></u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.13	1.18

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2021)

YLI HOLDINGS BERHAD (Registration No. 199501038047 / 367249 A)

Interim report for the twelve months ended 31 March 2022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Number of shares '000	Nominal value RM'000	Capital reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	TOTAL RM'000	Non- controlling Interest RM'000	TOTAL EQUITY RM'000
12 months ended 31 March 2022								
Balance as at 1 April 2021	102,951	110,159	(1,467)	(108)	12,652	121,236	(10,793)	110,443
Total comprehensive loss for the financial year	0	0	0	0	(5,122)	(5,122)	(1,579)	(6,701)
Transactions with owners :								
Dividend	0	0	0	0	0	0	0	0
Balance as at 31 March 2022	<u>102,951</u>	<u>110,159</u>	<u>(1,467)</u>	<u>(108)</u>	<u>7,530</u>	<u>116,114</u>	<u>(12,372)</u>	<u>103,742</u>
12 months ended 31 March 2021								
Balance as at 1 April 2020	102,951	110,159	(1,467)	(108)	12,891	121,475	(9,906)	111,569
Total comprehensive loss for the financial year	0	0	0	0	(239)	(239)	(887)	(1,126)
Transactions with owners :								
Dividend	0	0	0	0	0	0	0	0
Balance as at 31 March 2021	<u>102,951</u>	<u>110,159</u>	<u>(1,467)</u>	<u>(108)</u>	<u>12,652</u>	<u>121,236</u>	<u>(10,793)</u>	<u>110,443</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2021)

Interim report for the twelve months ended 31 March 2022

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	12 months ended	
	31/03/2022	31/03/2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(6,701)	(1,088)
Adjustments for :		
Property, plant and equipment:		
- Amortisation & depreciation	3,478	3,569
- Gain/(Loss) on disposal	(60)	31
Unrealised loss on foreign exchange	12	13
Deposit written off	0	21
Reversal of expected credit lossess on receivable	(305)	(130)
(Over provision)/Provision of legal claim	0	(332)
Interest expense	2,138	2,510
Interest income	(138)	(1,008)
	<hr/>	<hr/>
Operating profit/(loss) before changes in working capital	(1,576)	3,586
Changes in:		
Inventories	(10,482)	(2,154)
Receivables	18,299	2,598
Payables	(7,507)	828
Provision for legal claim	0	(846)
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Cash (used in)/generated from operations	(1,266)	4,012
Net tax paid	(17)	(103)
	<hr/>	<hr/>
Net cash flows (used in)/generated from operating activities	(1,283)	3,909
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment:		
- additions	(1,416)	(1,850)
- proceed from disposals	190	108
Interest received	143	226
	<hr/>	<hr/>
Net cash flows used in investing activities	(1,083)	(1,516)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement of bank borrowings	(941)	2,196
Net movement of hire purchase creditor	(391)	(431)
Deposit to non-short term deposits with licensed banks	0	0
Interest paid	(2,138)	(2,510)
Withdrawal/(deposit) charged for credit facilities	1,152	2,103
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Net cash flows (used in)/generated from financing activities	(2,318)	1,358
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YLI HOLDINGS BERHAD (Registration No. 199501038047 / 367249 A)

Interim report for the twelve months ended 31 March 2022

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (cont'd)

	12 months ended	
	31/03/2022	31/03/2021
	RM'000	RM'000
Net change in cash and cash equivalents	(4,684)	3,751
Effects of exchange rate on cash and cash equivalents	0	(3)
Cash and cash equivalents:		
- at the beginning of the period	5,363	1,615
- at the end of the period	679	5,363
CASH AND CASH EQUIVALENTS COMPRISE :-		
Deposits with financial institutions	5,706	8,483
Bank and cash balances	4,570	5,835
	10,276	14,318
Less: Bank overdraft	(4,875)	(3,081)
Deposits charged for credit facilities	(3,922)	(5,074)
Non-short term deposit	(800)	(800)
	679	5,363

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2021)

Interim report for the twelve months ended 31 March 2022
NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 (Appendix 9B Part A) of the Main Market Listing Requirements (“Listing Requirements”) of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2021.

The 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 Company and its subsidiaries (“the Group”) since the financial year ended 31 March 2021.

The significant accounting policies adopted by the Group in this interim financial statements as following:

Amendments/Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error
MFRS 139	Financial Instruments: Recognition and Measurement

The Group has not applied in advance the following new MFRS and amendments/improvements to MFRSs that have been issued by MASB but not yet effective for the current financial year:

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 17	Insurance Contracts	1 January 2023

1. Basis of preparation and accounting policies (cont'd)

The Group has not applied in advance the following new MFRS and amendments/improvements to MFRSs that have been issued by MASB but not yet effective for the current financial year (cont'd):

		Effective for financial periods beginning on or after
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022^/ 1 January 2023#
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023
MFRS 4	Insurance Contracts	1 January 2021
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments : Disclosures	1 January 2021/ 1 January 2023#
MFRS 9	Financial Instruments	1 January 2021/ 1 January 2022^/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2021/ 1 January 2022^
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial Instruments : Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023#

1. Basis of preparation and accounting policies (cont'd)

The Group has not applied in advance the following new MFRS and amendments/improvements to MFRSs that have been issued by MASB but not yet effective for the current financial year (cont'd):

		Effective for financial periods beginning on or after
<u>Amendments/Improvements to MFRSs (cont'd)</u>		
MFRS 138	Intangible Assets	1 January 2023#
MFRS 139	Financial Instrument : Recognition and Measurement	1 January 2021
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ The Annual Improvements to MFRS Standards 2018-2020

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

The Group is in the process of assessing the impact which may arise from adoption of the abovementioned new MFRS and amendments/improvements to MFRSs.

2. Disclosure of audit report qualification and status of matters raised

There was no qualification in the audit report of the preceding annual financial statements.

3. Seasonality and cyclical of interim operations

The Group operations were not significantly affected by any unusual seasonality or cyclical factors.

4. Unusual Item

There were no material unusual items affecting assets, liabilities, equity, net income or cash flow for the current quarter and current financial year to date.

5. Changes in Estimates of Amounts

There were no changes in the nature and estimates of amounts from those of the prior interim periods of prior financial years that have a material effect in the current interim period.

6. Debt and Equity Securities

There were no issuance, repurchase or repayment of debt and equity securities, share buy backs, share cancellations and resale of treasury shares except for previous share buy backs which are being held as treasury shares for the current financial year to date.

7. Dividends Paid

No dividend was paid for the current interim period.

8. Profit/(loss) for the period / year

	Individual Quarter		Year To Date	
	03 months ended		12 months ended	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
Interest income	27	827	138	1,005
Interest expenses	(530)	(627)	(2,138)	(2,510)
Depreciation and amortisation	(920)	(933)	(3,478)	(3,569)
Foreign exchange gain/(loss)	(35)	22	(100)	15
Gain/(Loss) on disposal of assets	47	(32)	60	(31)

Saved as disclosed above, the other items as required under Appendix 9B Part A(16) of the Main Market Listing Requirements of Bursa Securities are not applicable.

9. Segmental Reporting

The Group is organized into the following business segments:

- Manufacturing and trading of ductile iron pipes, steel pipes, HDPE pipes, fittings and waterworks related products for waterworks and sewerage industry.
- Construction work and project management.

The reportable segment information for financial period ended 31 March 2022 is as follows:

	Manufacturing and Trading		Construction and Project Management		Adjustment & Eliminations		TOTAL	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	83,832	97,204	0	5,970			83,832	103,174
Inter-segment revenue	0	0	0	0	0	0	0	0
Total Revenue	<u>83,832</u>	<u>97,204</u>	<u>0</u>	<u>5,970</u>			<u>83,832</u>	<u>103,174</u>
Profit/(Loss) before tax	<u>(6,331)</u>	<u>988</u>	<u>(370)</u>	<u>(2,076)</u>			<u>(6,701)</u>	<u>(1,088)</u>
Total Assets	179,425	186,252	13,317	15,410	(8,403)	(3,567)	184,339	198,095
Total Liabilities	<u>(73,156)</u>	<u>(73,626)</u>	<u>(15,844)</u>	<u>(17,593)</u>	8,403	3,567	<u>(80,597)</u>	<u>(87,652)</u>
Total Net Assets	<u>106,269</u>	<u>112,626</u>	<u>(2,527)</u>	<u>(2,183)</u>			<u>103,742</u>	<u>110,443</u>

For the 12 months under review ended 31 March 2022, the Group recorded lower sales revenue by approximately RM19.342 million or 18.75% compared to preceding year corresponding period mainly due to the adverse impact from pro-long Covid-19 Pandemic for the current year under review. The Group recorded higher loss before tax compared to preceding year corresponding period mainly due to lower sales revenue recorded, spike of raw material pricing such as scrap metal, hot rolled coils, plastic resin, nodulant, artificial graphite and higher utility cost such as electricity and gas coupled with the adverse impact from pro-long Covid-19 Pandemic which had distorted the production activities during the period involved.

9. Segmental Reporting *(cont'd)*

Manufacturing and Trading

Segment revenue from the Manufacturing and Trading is lower by 13.76% compared to previous year corresponding period. Furthermore, the segment recorded loss before tax at RM6.331 million compared to profit before tax of RM0.988 million recorded in previous year corresponding period. This is mainly due to lower sales revenue recorded, increase in raw material pricing such as scrap metal, hot rolled coils, plastic resin, nodulant, artificial graphite and higher utility cost such as gas in addition to the adverse impact from pro-long Covid-19 Pandemic which had distorted the production activities during the period involved.

Construction and Project Management

No segment revenue from the Construction and Project Management division recorded for current quarter compared to RM5.970 million recorded in previous year corresponding period mainly due to completion of Majlis Sukan Negara (“MSN”) project that had been successfully handed-over to client on 19 March 2021. The segment recorded lower loss before tax by RM1.706 million for current period compared to preceding year corresponding period mainly due to payroll and administration costs incurred during the defect liability period for the said project.

10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period under review.

11. Changes in Contingent Liabilities or Contingent Assets

Total corporate guarantees given by the Company as at 31 March 2022 is RM106.70 million and the utilization of banking facilities for the Group as at reporting date is at RM54.048 million.

Analysed as follows:-

Subsidiary companies

All the corporate guarantees of RM106.70 million were given to banks and financial institution to secure borrowings and bank guarantee of the subsidiary companies.

Save for the above, there were no changes in the contingent liabilities and assets of the Group since the last financial statement.

12. Capital Commitment

The capital expenditure not provided for in the financial statement as at 31 March 2022 is as follows:-

	Group 31/03/2022 RM'000
Authorised and contracted for	3,256
Authorised and not contracted for	13,327
	<u>16,583</u>
Analysed as follows :-	
- Property, plant and equipment	<u>16,583</u>

13. Related Party Transactions

There were no related party transactions recorded during the period under review.

14. Material Events Subsequent to the End of the Interim Reporting Period

There were no material events subsequent to the current financial quarter ended 31 March 2022 up to the date of this report.

15. Review of Performance

For the quarter under review, the Group recorded lower sales revenue by approximately RM5.772 million or 21.40% compared to preceding year corresponding quarter mainly due to lower revenue recorded from the Export market. The Group also recorded loss before tax for the current quarter of RM0.595 million compared to profit before tax of RM0.682 million for preceding year corresponding quarter attributed by lower sales revenue recorded, higher raw material pricing, utility costs, adverse impact from pro-long Covid-19 Pandemic during the period involved coupled with higher one off other income for previous year corresponding quarter.

16. Material Changes in Quarterly Results as Compared with the Preceding Quarter

	Current Quarter 31/03/2022 RM'000	Preceding Quarter 31/12/2021 RM'000	Changes %
Revenue	21,199	25,617	-17%
Operating Loss	(65)	(263)	>100%
Loss Before Interest and Tax	(65)	(263)	>100%
Loss Before Taxation	(595)	(792)	-25%
Loss After Taxation	(590)	(789)	-25%
Loss Attributable to Ordinary Equity Holders of the Company	(115)	(424)	>100%

Despite lower revenue, the recorded lower loss after tax for current quarter under review by 25.22% compared to preceding quarter mainly due to better selling price under Manufacturing and Trading Division.

17. Current Year Prospects

Water and sewerage projects are still in focus under the 12th Malaysia Plan with uncompleted projects under 11th Malaysia Plan are to be carried forward to 12th Malaysia Plan. In view of the fact that the Government and state water authorities are working towards improved water quality and efficiency of water supply in Malaysia, this would augur well for the Group's business.

17. Current Year Prospects *(cont'd)*

Despite the above, the Board would expect the operating environment to remain extremely challenging in view of the softer demand on waterworks pipes, competitive pricings offered among waterworks pipe industry players for projects available and unusual hike on raw materials such as scrap metal, hot rolled coils, plastic resin and utility costs attributed by highly uncertain worldwide and domestic business environment with pro-long COVID-19 pandemic, the Conflict between Russia and Ukraine and unusual inflation occurred around the World currently. In order to address these challenges, the Group will leverage on its solid financial position, extensive customer networking and maintaining cost efficiencies in undertaking the related waterworks products and projects.

18. Profit Forecast or Profit Guarantee

The Group does not issue any profit forecast or profit guarantee.

19. Tax

	Individual Quarter		Year To Date	
	03 months ended		12 months ended	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
In respect of current year :				
- income tax	0	0	5	21
- deferred tax	(5)	0	(5)	17
	<u>(5)</u>	<u>0</u>	<u>-</u>	<u>38</u>
In respect of prior years :				
- income tax	0	0	0	0
- deferred tax	0	0	0	0
	<u>(5)</u>	<u>0</u>	<u>-</u>	<u>38</u>

20. Status of Corporate Proposals

There were no corporate proposals announced and not completed as at the date of issue of this report.

21. Bank Borrowings

	As at 31 March 2022				
	Long Term	Short Term			TOTAL RM'000
	Borrowing RM'000	Borrowing USD'000	Equivalent RM'000	Borrowing RM'000	
<u>Secured</u>					
Lease Payable	219	0	0	153	372
Revolving Credit	0	0	0	2,000	2,000
Islamic Trade Credit	0	0	0	811	811
Overdraft	0	0	0	4,875	4,875
Bankers' Acceptance	0	0	0	37,699	37,699
Trust Receipt	0	0	0	1,398	1,398
<u>Unsecured</u>					
Bank Borrowing	0	0	0	0	0
Total	219	0	0	46,936	47,155

	As at 31 March 2021				
	Long Term	Short Term			TOTAL RM'000
	Borrowing RM'000	Borrowing USD'000	Equivalent RM'000	Borrowing RM'000	
<u>Secured</u>					
Lease Payable	462	0	0	301	763
Revolving Credit	0	0	0	2,000	2,000
Islamic Trade Credit	0	0	0	3,570	3,570
Overdraft	0	0	0	3,081	3,081
Bankers' Acceptance	0	0	0	32,268	32,268
Trust Receipt	0	0	0	5,011	5,011
<u>Unsecured</u>					
Bank Borrowing	0	0	0	0	0
Total	462	0	0	46,231	46,693

The Group's total borrowings for the current financial year is higher by RM0.462 million compared to preceding year corresponding period. This is mainly due to higher utilization of bank facilities for operation activities.

The Group's exchange rate as follows:-

Currency	As At 31/03/2022	As At 31/12/2021
USD	4.1945	4.1460
CNY	0.6643	0.6320

22. Material Litigation

There was no material litigation against the Group as at the reporting date.

23. Dividend Proposed

The Board of Directors does not recommend the payment of any dividends for the 12 months ended 31 March 2022 (2021 : Nil).

24. Profit/(loss) per share

	Individual Quarter		Year To Date	
	03 months ended		12 months ended	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
Basic profit/(loss) per share for profit/(loss) attributable to Owners of the Company				
Net profit/(loss) for the period (RM'000)	(115)	323	(5,122)	(239)
Weighted average number of ordinary shares in issued excluding treasury shares held by the Company ('000)	102,830	102,830	102,830	102,830
Basic/diluted profit/(loss) per share (sen)	(0.11)	0.31	(4.98)	(0.23)

By Order of the Board

CHEW SIEW CHENG

Secretary

Kuala Lumpur, 31 May 2022