

YB Ventures Berhad

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

Interim Financial Report 30 June 2023

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Condensed consolidated statement of financial position As at 30 June 2023

	Note	Unaudited 30.6.2023 RM'000	Audited 30.6.2022 RM'000
Assets			
Property, plant and equipment		191,191	175,853
Investment properties		14,782	15,079
Right-of-use assets		4,537	5,970
Intangible assets		882	1,247
Investment in associates		9,103	9,899
Other investment		19,561	20,295
Deferred tax assets		66	954
Total non-current assets		240,122	229,297
Inventories		52,065	58,319
Trade and other receivables		23,437	31,411
Current tax assets		738	410
Other investments		39,731	31,651
Cash and bank balances		12,042	61,503
Contract assets		3,062	7,515
Total current assets		131,075	190,809
Total assets		371,197	420,106
Equity			
Share capital		110,754	110,754
ICULS equity component		48,136	48,136
Reserves		168,184	189,408
Total equity		327,074	348,298
Liabilities			
Deferred tax liabilities		10,330	17,125
Lease liabilities	18	2,796	3,794
Loan stocks - Rights ICULS		177	216
Total non-current liabilities		13,303	21,135
Trade and other payables		8,808	32,391
Lease liabilities	18	1,261	1,439
Loans and borrowings	18	20,751	16,525
Tax liabilities		-	318
Total current liabilities		30,820	50,673
Total liabilities		44,123	71,808
Total equity and liabilities		371,197	420,106
Net assets per share (RM)		1.13	1.20

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Condensed consolidated statement of comprehensive income for the year ended 30 June 2023 – unaudited

	Note	Individual 3 months ended 30 June		Cumulative 12 months ended 30 June	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue					
Goods sold	21	15,220	27,540	66,830	84,029
Dividend income	23	-	85	113	85
		<u>15,220</u>	<u>27,625</u>	<u>66,943</u>	<u>84,114</u>
Operating expenses		(27,227)	(22,747)	(111,421)	(83,572)
Operating (loss)/profit		<u>(12,007)</u>	<u>4,878</u>	<u>(44,478)</u>	<u>542</u>
Interest income	23	55	797	548	1,177
Interest expense	23	(266)	(263)	(1,197)	(600)
Fair value gain/(loss) on other quoted investment		6,539	(682)	18,906	12,084
Share of (loss)/gain in associate companies		(796)	(81)	(796)	397
(Loss)/Profit before tax		<u>(6,475)</u>	<u>4,649</u>	<u>(27,017)</u>	<u>13,600</u>
Taxation	16	5,916	(543)	6,052	(695)
(Loss)/Profit for the period		<u>(559)</u>	<u>4,106</u>	<u>(20,965)</u>	<u>12,905</u>
Other comprehensive (loss)/income					
Fair value loss on long term quoted investment		(4,646)	(10,560)	(734)	(10,560)
Foreign currency translation		202	(3)	475	110
Total other comprehensive loss for the period		<u>(4,444)</u>	<u>(10,563)</u>	<u>(259)</u>	<u>(10,450)</u>
Total comprehensive (loss)/income for the period		<u>(5,003)</u>	<u>(6,457)</u>	<u>(21,224)</u>	<u>2,455</u>
(Loss)/Profit attributable to:					
Owners of the Company		(559)	4,106	(20,965)	12,905
(Loss)/Profit for the period		<u>(559)</u>	<u>4,106</u>	<u>(20,965)</u>	<u>12,905</u>
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(5,003)	(6,457)	(21,224)	2,455
Total comprehensive (loss)/income for the period		<u>(5,003)</u>	<u>(6,457)</u>	<u>(21,224)</u>	<u>2,455</u>
Basic (loss)/earnings per ordinary share (sen)	22	<u>(0.19)</u>	<u>1.41</u>	<u>(7.22)</u>	<u>4.44</u>
Diluted (loss)/earnings per ordinary share (sen)	22	<u>(0.14)</u>	<u>1.08</u>	<u>(5.36)</u>	<u>3.40</u>

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Condensed consolidated statement of changes in equity for the year ended 30 June 2023 – unaudited

	←----- Attributable to owners of the Company ----->							
	←----- Non-distributable ----->					-----> Distributable		
	Share capital RM'000	ICULS - equity components RM'000	Treasury shares RM'000	Exchange fluctuation reserve RM'000	Fair value reserve RM'000	Revaluation RM'000	Retained earnings RM'000	Total equity RM'000
At 1 July 2022	110,754	48,136	(257)	4,015	(10,560)	76,753	119,457	348,298
Loss for the financial period	-	-	-	-	-	-	(20,965)	(20,965)
Fair value gain on equity investment at FVOCI	-	-	-	-	(734)	-	-	(734)
Foreign currency translation differences for foreign operations	-	-	-	475	-	-	-	475
Total comprehensive income/(loss) for the financial period	-	-	-	475	(734)	-	(20,965)	(21,224)
At 30 June 2023	<u>110,754</u>	<u>48,136</u>	<u>(257)</u>	<u>4,490</u>	<u>(11,294)</u>	<u>76,753</u>	<u>98,492</u>	<u>327,074</u>
At 1 July 2021	93,692	-	(257)	3,905	-	76,753	106,552	280,645
Profit for the financial period	-	-	-	-	-	-	12,905	12,905
Fair value gain on equity investment at FVOCI	-	-	-	-	(10,560)	-	-	(10,560)
Foreign currency translation differences for foreign operations	-	-	-	110	-	-	-	110
Issuance of ordinary shares								
- conversion of ICULS	69	(69)	-	-	-	-	-	-
- private placement	16,993	-	-	-	-	-	-	16,993
Right Issue of ICULS	-	48,205	-	-	-	-	-	48,205
At 30 June 2022	<u>110,754</u>	<u>48,136</u>	<u>(257)</u>	<u>4,015</u>	<u>(10,560)</u>	<u>76,753</u>	<u>119,457</u>	<u>348,298</u>

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Condensed consolidated statement of cash flow for the year ended 30 June 2023 – unaudited

	12 months ended 30 June 2023 RM'000	12 months ended 30 June 2022 RM'000
Cash flows from operating activities		
(Loss)/Profit before tax	(27,017)	13,600
Adjustments for:-		
Depreciation and amortisation	10,079	8,506
Property, plant and equipment written off	588	45
Right-of-use assets written off	55	-
Loss/(Gain) on disposal of other investments	5,270	(2,258)
Changes in fair value of other investments	(18,906)	(12,084)
Dividend income from other investments	-	(350)
Interest income	(548)	(1,177)
Interest expense	1,197	600
Inventories written down	-	2,199
Reversal of allowance for slow moving inventories	-	(4)
Share of results of an associate company	796	(397)
Unrealised loss on foreign exchange	-	16
Trade receivables - impairment loss	-	430
Operating (loss)/profit before working capital changes	(28,486)	9,126
Changes in working capital:		
Change in inventories	6,254	(18,224)
Change in contract assets	4,453	(1,822)
Change in trade and other receivables	7,974	10,967
Change in trade and other payables	(23,622)	14,285
Cash (used in)/generated from operations	(33,427)	14,332
Tax paid	(501)	(395)
Net cash (used in)/generated from operating activities	(33,928)	13,937
Cash flows from investing activities		
Acquisition of property, plant and equipment	(23,552)	(45,279)
Acquisition of investment properties	(5)	(15,079)
Acquisition of right-of-use assets	(103)	-
Acquisition of other investments at FVOCI	-	(30,795)
Dividends received from other investments	-	350
Interest received	548	1,177
Decrease/(Increase) in fixed deposit pledge	600	(2,411)
Proceeds on disposal of property, plant & equipment	-	1,552
Net (acquisition of)/disposal proceeds from other investments at FVTPL	5,556	(4,432)
Net cash used in investing activities	(16,956)	(94,917)

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

	12 months ended 30 June 2023 RM'000	12 months ended 30 June 2022 RM'000
Cash flows from financing activities		
Interest paid	(1,197)	(600)
Change in lease liabilities	(1,481)	2,984
Proceed from issuance of ICULS	-	48,352
Proceed from issuance of shares	-	17,062
(Repayment)/Drawdown of other borrowings	(5,402)	13,894
Net cash (used in)/generated from financing activities	<u>(8,080)</u>	<u>81,692</u>
Net (decrease)/increase in cash and cash equivalents	(58,964)	712
Effect of exchange rate changes	475	110
Cash and cash equivalents at beginning of period	<u>56,571</u>	<u>55,749</u>
Cash and cash equivalents at end of period	<u>(1,918)</u>	<u>56,571</u>
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	9,533	52,621
Fixed deposits with licensed banks	2,509	8,882
	<u>12,042</u>	<u>61,503</u>
Less: Fixed deposits maturity more than 3 months	(1,701)	(2,301)
Less: Bank overdraft	(12,259)	(2,631)
	<u>(1,918)</u>	<u>56,571</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 12 months financial period ended 30 June 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 2022 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 28 August 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 2022.

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 2022. 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 4	Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2

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

The Group has 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	Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3	Reference of the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRSs	Standards 2018 - 2020:	1 January 2022
	<ul style="list-style-type: none"> • Amendments to MFRS 1 • Amendments to MFRS 9 • Amendments to MFRS 16 • Amendments to MFRS 141 	
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 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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2. Significant accounting policies (continued)

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.

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

During the current financial quarter, the Company did not purchase any of its own shares.

As at 30 June 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.

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

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7. Dividends paid

No dividend was paid for the current quarter.

8. Segment information

	12 months ended 30 June 2023 RM'000	12 months ended 30 June 2022 RM'000
Tiles manufacturing and trading income	66,830	84,029
Dividend income	113	85
Interest income	548	1,177

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.

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

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

12. Review of Performance

	3 months ended 30 June 2023 RM'000	3 months ended 30 June 2022 RM'000
Revenue	15,220	27,540
(Loss)/Profit before tax	(6,475)	4,649

The revenue of the Group for the current quarter under review of RM15.2 million was lower than the corresponding quarter in 2022 of RM27.5 million.

The Group recorded a loss before tax of RM6.5 million for the current quarter under review as compared to a profit before tax of RM4.6 million for the corresponding quarter in 2022, mainly due to lower sales and higher operating cost in particular increase in electricity tariff and miscellaneous expenses.

13. Variation of results against the preceding quarter

	Year 2023 Q4 RM'000	Year 2023 Q3 RM'000
Revenue	15,220	14,659
Loss before tax	(6,475)	(17,046)

For the current quarter under review, the Group registered a consolidated loss before tax of RM6.5 million compared to a loss before tax of RM17.0 million in the preceding quarter. The lower loss was contributed by higher revenue and fair value gain on other investments.

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.

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15. Profit forecast

Not applicable.

16. Taxation

	3 months ended		12 months ended	
	30 June		30 June	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Tax expense	(5,945)	538	(6,089)	679
Deferred tax expense	29	5	37	16
	<u>(5,916)</u>	<u>543</u>	<u>(6,052)</u>	<u>695</u>

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

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.

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18. Group borrowings and debts securities

The Group's borrowings as at 30 June 2023 and 30 June 2022 are presented as follows:

	30 June 2023 RM'000	30 June 2022 RM'000
Long Term Borrowings		
Secured:-		
- Hire purchase creditors	994	1,333
- Lease creditors	1,802	2,461
	2,796	3,794
Short Term Borrowings		
Secured:-		
- Hire purchase creditors	339	320
- Lease creditors	922	1,119
	1,261	1,439
Secured:-		
- Bank borrowings	20,751	16,525
	22,012	17,964
Total	24,808	21,758

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

	12 months ended 30 June 2023 RM'000	12 months ended 30 June 2022 RM'000
Timing and recognition		
At a point in time	50,563	49,219
Over time	16,267	34,810
	66,830	84,029

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22. (Loss)/ Earnings per share

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is based on the (loss)/profit 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 June 2023 RM'000	3 months ended 30 June 2022 RM'000	12 months ended 30 June 2023 RM'000	12 months ended 30 June 2022 RM'000
(Loss)/Profit attributable to owners of the Company	(559)	4,106	(20,965)	12,905
	Units (<u>'000</u>)	Units (<u>'000</u>)	Units (<u>'000</u>)	Units (<u>'000</u>)
Weighted average number of ordinary shares in issue	<u>290,503</u>	<u>290,503</u>	<u>290,503</u>	<u>290,503</u>
Basic (loss)/earnings per shares (sen)	(0.19)	1.41	(7.22)	4.44

(b) Diluted (Loss)/Earnings per share

Diluted earnings/(loss) per share are based on the profit/(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 year 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 earnings/(loss) per share are calculated as follows:

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22. (Loss)/Earnings per share (continued)

(c) Diluted (Loss)/Earnings per share (continued)

	3 months ended 30 June 2023 RM'000	3 months ended 30 June 2022 RM'000	12 months ended 30 June 2023 RM'000	12 months ended 30 June 2022 RM'000
(Loss)/Profit attributable to owners of the Company	(559)	4,106	(20,965)	12,905
Adjusted for: Interest savings on ICULS	-	-	-	-
	<u>(559)</u>	<u>4,106</u>	<u>(20,965)</u>	<u>12,905</u>
	<u>Units ('000)</u>	<u>Units ('000)</u>	<u>Units ('000)</u>	<u>Units ('000)</u>
Weighted average number of ordinary shares used in the calculation of basic earnings per shares (in shares)	290,503	290,503	290,503	290,503
Assume conversion of ICULS	<u>100,611</u>	<u>89,309</u>	<u>100,611</u>	<u>89,309</u>
Weighted average number of ordinary shares in issue at end of financial period (diluted)	<u>391,114</u>	<u>379,812</u>	<u>391,114</u>	<u>379,812</u>
Diluted (loss)/earnings per shares (sen)	(0.14)	1.08	(5.36)	3.40

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23. (Loss)/Profit for the period

	3 months ended	12 months ended
	30 June	30 June
	2023	2023
	RM'000	RM'000
Profit/(Loss) for the period is arrived at after charging / (crediting):		
Depreciation and amortisation	2,995	10,079
Property, plant and equipment written off	2	588
Right-of-use assets written off	-	55
Loss on disposal of other investments	944	5,270
Changes in fair value of other investments	(6,540)	(18,906)
Interest expense	266	1,197
Interest income	(55)	(548)
Share of loss of an associate company	796	796
Net realised foreign exchange gain	(125)	(78)

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.