



**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

(561986-V)

Interim Financial Statements  
30 September 2019

**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

**Condensed Consolidated Profit or Loss and Other Comprehensive Income  
For the Nine Months Period Ended 30 September 2019**

	Note	3 months ended		9 months ended	
		30.09.2019 RM	30.09.2018 RM	30.09.2019 RM	30.09.2018 RM
Revenue		106,087,564	98,180,460	258,990,845	275,961,685
Cost of sales		(66,159,817)	(61,268,393)	(153,041,572)	(174,783,752)
Gross profit		39,927,747	36,912,067	105,949,273	101,177,933
Other income		8,916,116	13,068,433	20,198,964	26,158,419
Administrative expenses		(16,835,642)	(14,178,397)	(43,210,711)	(46,362,810)
Selling and marketing expenses		(7,858,083)	(9,334,197)	(10,936,122)	(12,662,699)
Other operating expenses		(530,261)	(2,115,308)	(12,867,979)	(14,509,469)
		(25,223,986)	(25,627,902)	(67,014,812)	(73,534,978)
Profit from operations		23,619,877	24,352,598	59,133,425	53,801,374
Finance costs	17	(11,730,257)	(10,555,284)	(29,336,277)	(28,947,599)
Profit before tax		11,889,620	13,797,314	29,797,148	24,853,775
Income tax expense	18	(271,551)	(6,902,720)	(5,378,497)	(9,665,982)
Profit for the period		11,618,069	6,894,594	24,418,651	15,187,793
Other comprehensive income					
-Foreign currency translation difference		400,883	737,423	432,375	571,418
Total comprehensive income for the period		12,018,952	7,632,017	24,851,026	15,759,211
Earnings per share (sen)					
Basic	25 (a)	2.20	1.30	4.62	2.87
Diluted	25 (b)	2.20	1.30	4.62	2.87

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the financial statements.

**YNH PROPERTY BHD**

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Financial Position  
As at 30 September 2019**

	Note	As at 30.09.2019 RM	As at 31.12.2018 RM
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	157,977,366	162,069,685
Deferred tax assets		92,097,212	88,351,319
Investment properties		300,058,869	302,468,234
Goodwill on consolidation		17,626,036	17,626,036
Inventories		347,386,990	358,328,811
Other non-current assets	9(b)	737,002,640	511,197,470
		<u>1,652,149,113</u>	<u>1,440,041,555</u>
<b>CURRENT ASSETS</b>			
Inventories		421,915,120	542,468,804
Trade and other receivables	9(a)	117,411,446	152,296,368
Other current assets	9(c)	15,735,806	15,176,035
Contract assets		4,575,800	47,741,945
Tax recoverable		10,099,179	4,606,440
Cash and bank balances		110,301,874	13,377,638
		<u>680,039,225</u>	<u>775,667,230</u>
<b>TOTAL ASSETS</b>		<u>2,332,188,338</u>	<u>2,215,708,785</u>

**Condensed Consolidated Statement of Financial Position as at 30 September 2019  
(Contd.)**

	Note	As at 30.09.2019 RM	As at 31.12.2018 RM
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		528,999,579	528,999,579
Perpetual securities	6 (b)	263,000,000	-
Treasury shares		(970,157)	(970,157)
Other reserves		32,748,184	32,315,809
Retained earnings		373,687,832	349,269,181
Total equity		<u>1,197,465,438</u>	<u>909,614,412</u>
<b>Non-Current Liabilities</b>			
Provisions	22	-	775,126
Deferred tax liabilities		36,900,600	38,831,569
Long term liabilities	20	<u>293,935,465</u>	<u>154,673,960</u>
		<u>330,836,065</u>	<u>194,280,655</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		243,310,700	283,890,239
Contract liabilities		59,306,755	192,562,469
Provisions	22	4,591,224	6,349,961
Borrowings	20	476,395,015	615,985,656
Income tax payable		20,283,141	13,025,393
		<u>803,886,835</u>	<u>1,111,813,718</u>
<b>TOTAL LIABILITIES</b>		<u>1,134,722,900</u>	<u>1,306,094,373</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,332,188,338</u>	<u>2,215,708,785</u>
NTA per share (RM)		<u>2.23</u>	<u>1.69</u>
Net asset per share (RM)		<u>2.26</u>	<u>1.72</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the financial statements.

**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity  
For the Nine Months Period Ended 30 September 2019**

		Attributable to Equity Holders of the Company								
		Non-distributable			Distributable					
		Share capital RM	Perpetual capital securities RM	Share Option Reserve RM	Share Premium RM	Translation Reserve RM	Capital Reserve RM	Treasury Shares RM	Retained profits RM	Total RM
<b>Opening balance at 1 January 2018</b>		528,999,579		-	-	4,999,272	26,578,054	(6,931,199)	370,141,447	923,787,153
<b><u>Comprehensive income</u></b>										
Profit for the year		-		-	-	-	-	-	15,187,793	15,187,793
Share dividend								5,961,041	(5,961,041)	-
Dividend		-		-	-	-	-	-	(3,677,361)	(3,677,361)
<b><u>Other comprehensive income</u></b>										
-Foreign currency translation difference		-		-	-	571,418	-	-	-	571,418
<b>Closing balance at 30 September 2018</b>		<b>528,999,579</b>		<b>-</b>	<b>-</b>	<b>5,570,690</b>	<b>26,578,054</b>	<b>(970,158)</b>	<b>375,690,838</b>	<b>935,869,003</b>
<b>Opening balance at 1 January 2019</b>		528,999,579		-	-	5,737,755	26,578,054	(970,157)	349,269,181	909,614,412
<b>Issuance during the year</b>	Note 6(b)	-	263,000,000.00	-	-	-	-	-	-	263,000,000
<b><u>Comprehensive income</u></b>										
Profit for the year		-		-	-	-	-	-	24,418,651	24,418,651
<b><u>Other comprehensive income</u></b>										
Foreign currency translation difference		-		-	-	432,375	-	-	-	432,375
<b>Closing balance at 30 September 2019</b>		<b>528,999,579</b>	<b>263,000,000</b>	<b>-</b>	<b>-</b>	<b>6,170,130</b>	<b>26,578,054</b>	<b>(970,157)</b>	<b>373,687,832</b>	<b>1,197,465,438</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the financial statements.

**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flow**  
**For the Nine Months Period Ended 30 September 2019**

	<b>9 months ended 30.09.2019 RM</b>	<b>12 months ended 31.12.2018 RM</b>
Profit before taxation	<u>29,797,148</u>	<u>26,361,353</u>
Net cash (used in)/from operating activities	(174,485,519)	19,879,849
Net cash from investing activities	8,738,891	24,650,517
Net cash from/(used in) financing activities	<u>273,154,509</u>	<u>(71,592,215)</u>
<b>Net decrease in cash and cash equivalents</b>	107,407,881	(27,061,849)
<b>Cash and cash equivalents at beginning of financial period</b>	(93,527,599)	(66,465,750)
<b>Cash and cash equivalents at end of financial period</b>	<u>13,880,282</u>	<u>(93,527,599)</u>

Cash and cash equivalents at end of financial period comprise the following:

Fixed deposits	600,126	695,506
Less: pledged fixed deposits	(600,126)	(695,506)
	-	-
* Cash and bank balances	109,701,748	12,682,132
Bank overdraft (included within borrowings in Note 20)	(95,821,465)	(106,209,731)
	<u>13,880,283</u>	<u>(93,527,599)</u>

- \* Included in cash at banks of the Group are amounts of RM 2,508,115 held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the financial statements.

**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2019**

**1. BASIS OF PREPARATION**

The quarterly condensed financial report has been prepared in accordance with:

- (i) The requirement of the Malaysian Financial Reporting Standards ("MFRS") Standard 134: Interim Financial Reporting; and
- (ii) Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad and should be read in conjunction with the audited annual financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the quarterly condensed financial report. These explanatory notes attached to the quarterly condensed financial report provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2018. The significant accounting policies adopted for the quarterly condensed financial report are consistent with those of the audited financial statements for the financial year ended 31 December 2018.

**2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the year ended 31 December 2018 was not qualified.

**3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

The Group's performance is not materially affected by seasonal or cyclical factors.

**4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no unusual items due to their nature, size or incidence affecting assets, liabilities, equity, net income or cash flows during the financial period ended 30 September 2019 except as disclosed in note 6 to the interim financial statements.

**5. CHANGES IN ESTIMATES**

The Group has not submitted any financial forecast or projections to any authority during the current quarter and prior financial year ended 31 December 2018. There were no changes in estimates that have had a material effect in the current quarter results.

**6. CAPITAL MANAGEMENT, DEBT AND EQUITY SECURITIES**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period ended 30 September 2019 and the date of this interim report except the following:

**(a) Treasury Shares**

There is no purchase of treasury shares during the current quarter of the financial period ended 30 September 2019. Total treasury shares repurchased cumulatively as at 30 September 2019 is 512,512 ordinary shares, representing a cumulative 0.10% of the total paid up share capital of the company as at 30 September 2019. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016. There is no repurchase of treasury share subsequent to the interim financial period ended 30 September 2019.

**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2019**

**6. CAPITAL MANAGEMENT, DEBT AND EQUITY SECURITIES (Contd.)**

**(b) Issuance of Perpetual Securities**

The Company had on 7 August 2019 issued RM263.0 million in nominal value of senior ranking unrated perpetual securities ("Perpetual Securities") pursuant to the Perpetual Securities Programme.

The Perpetual Securities are secured over a parcel of land in Kuala Lumpur and an escrow account. The Perpetual Securities have a coupon rate of 6.85% per annum for the first 5 years, payable on a semi-annual basis. The Company has the option to redeem the Perpetual Securities at the end of the 5th anniversary after the issue date, and on each subsequent coupon payment date.

The net proceeds raised from the Perpetual Securities are intended to be utilised by YNH and/or its subsidiaries, associated companies and/or jointly controlled entities ("YNH Group") for, amongst others, the following:

- i) YNH Group's investments (including amongst others, purchase of lands, buildings, property and/or shares; and/or payment into joint ventures); and/or
- ii) the YNH Group's capital expenditure and working capital; and/or
- iii) repayment of borrowings, financing facilities and/or banking facilities of the Company and/or any members of the YNH Group.

CIMB Investment Bank Berhad is the sole principle adviser, sole lead arranger and sole lead manager for the Perpetual Securities Programme and Perpetual Securities issuance.

**(c) Capital Management**

The Group's objectives of managing capital are to safeguard the group's ability to continue in operation as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

For capital management purposes, the Group consider shareholders' equity to be the key component in the Group's capital structure. The Group monitors capital based on gearing ratio. The ratio is calculated on total debts divided by total equity. The Group's strategy is to maintain a gearing ratio below 100%. The gearing ratio as at 30 September 2019, are as follows:



**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2019**

**6. CAPITAL MANAGEMENT, DEBT AND EQUITY SECURITIES (Contd.)**

	<b>30.09.2019</b>	<b>31.12.2018</b>
	<b>RM</b>	<b>RM</b>
Total borrowing	770,330,480	770,659,616
Trade and other payables	243,310,700	283,890,239
Net debts	<u>1,013,641,180</u>	<u>1,054,549,855</u>
Equity attributable to the owners of parents	<u>1,197,465,438</u>	<u>909,614,412</u>
Gearing ratio	<u>85%</u>	<u>116%</u>

The details of the issuance and repayment of debts and equity instrument in the current quarter ended 30 September 2019 are as follows:

	<b>30.09.2019</b>
	<b>RM</b>
Repayment of revolving credit	(22,052,800)
Fixed deposit	95,379
Issuance of perpetual securities	263,000,000
Drawdown of term loan	36,000,000
Repayment of term loan	(3,888,070)

**7. DIVIDEND PAID**

No dividend was paid for the financial period ended 30 September 2019.

**8. CARRYING AMOUNT OF REVALUED ASSETS**

The valuation of property, plant and equipment and investment properties have been brought forward without amendment from the financial statements for the year ended 31 December 2018.

**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2019**

**9(a). TRADE AND OTHER RECEIVABLES**

	As at 30.09.2019 RM	As at 31.12.2018 RM
Trade receivables	96,511,961	135,516,266
Less: Provision for impairment	(4,159,414)	(4,159,414)
	<u>92,352,547</u>	<u>131,356,852</u>
Other receivables	25,058,899	20,939,516
	<u>117,411,446</u>	<u>152,296,368</u>

Trade receivables are generally on credit terms ranging from 14 days to 180 days. Credit terms for the sales of commercial properties range from 14 days to 270 days.

Included in trade receivables are:

- (i) an amount of RM6,400,000 owing by certain directors of the Company
- (ii) an amount of RM Nil owing by persons related to directors

The amounts owing by directors and persons related to directors are in respect of purchase of properties from the Group and is under normal credit terms granted to customers.

**9(b)** Other non current assets represent security deposits for various joint venture projects.

**10. SUBSEQUENT EVENTS**

There is no subsequent event from the financial period ended 30 September 2019 until the date of this interim financial report.

**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2019**

**11. CHANGES IN COMPOSITION OF THE GROUP**

There is no change in the composition of the Group since the last financial year until the date of this interim report.

**12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There is no contingent liabilities and contingent assets for the period ended 30 September 2019 and the date of this interim financial report.

**13. CAPITAL COMMITMENTS**

There is not capital commitment as at 30 September 2019.

**14. PERFORMANCE REVIEW**

	3 months ended		changes		9 months ended		changes	
	30.09.2019	30.09.2018	RM	%	30.09.2019	30.09.2018	RM	%
	RM	RM			RM	RM		
Revenue	106,087,564	98,180,460	7,907,104	8%	258,990,845	275,961,685	(16,970,840)	-6%
Profit from operations	23,619,877	24,352,598	(732,721)	-3%	59,133,425	53,801,374	5,332,051	10%
Profit before tax	11,889,620	13,797,314	(1,907,694)	-14%	29,797,148	24,853,775	4,943,373	20%
Profit for the period	11,618,069	6,894,594	4,723,475	69%	24,418,651	15,187,793	9,230,858	61%

The Group's cumulative turnover for the current financial period ended 30 September 2019 is RM258,990,845 (year 2018-RM275,961,685) and profit before taxation is reported at RM 29,797,148 (year 2018-RM24,853,775). Profit before taxation for the current quarter is lower compared to previous year's corresponding quarter due to the recognition of a gain of disposal of property plant and equipment in the third quarter of previous financial year. The Group's performance for this year is mainly derived from profit recognition from sales of inventories in Pangsapuri Samudera , progressive profit recognition of Kiara 163 , and Sfera Residensi.

**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2019**

**14. PERFORMANCE REVIEW (Contd.)**

	Current Quarter RM	Immediate Preceding Quarter RM	Changes	
			RM	%
Revenue	106,087,564	70,279,163	35,808,401	51%
Profit from operations	23,619,877	16,614,420	7,005,457	42%
Profit before tax	11,889,620	7,349,170	4,540,450	62%
Profit for the period	11,618,069	5,522,016	6,096,053	110%

On a quarter to quarter basis, the current quarter profit before taxation of RM 11,889,620 is higher than previous quarter of RM7,349,170. This is due to strong profit contribution from K163 project in Kuala Lumpur and profit recognition for the sales of Pangsapuri Samudera in the current quarter.

An analysis of other operating income for the current financial period are as follows:

	<b>30.09.2019</b>	<b>30.09.2018</b>
<b>Other operating income</b>	<b>RM</b>	<b>RM</b>
Gain on disposal of property, plant and equipment	1,854,750	3,370,496
Gain on land acquisition by government	-	19,234
Rental income from properties and machineries	16,628,892	15,226,712
Provision for onerous contract loss		
written back	-	5,632,000
Sales of building material & others	500,665	1,909,977
Provision for impairment written back	770,659	-
Others	443,998	-
	<b>20,198,964</b>	<b>26,158,419</b>

**15. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There was no off balance sheet financial instruments as at the date of this report.

**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2019**

**16. COMMENTARY ON PROSPECTS**

The local and global economic climate remains challenging. Taking into consideration of the overall reduced contributions from existing projects, the Board look forward for an improvement in the current economic climate and a relaxation in the banking guideline over the subsequent quarters for a reversal of its performance.

The Board is cautiously optimistic of our Kiara 163 mixed development project held under D'Kiara Place Sdn Bhd ("DKP"), a wholly owned subsidiary company of YNH Property Bhd. DKP is the registered and beneficial owner of the 6 acres freehold development property located in Mont' Kiara, Kuala Lumpur, besides McDonald outlet at Plaza Mont' Kiara and opposite One Mont' Kiara. The proposed commercial development comprises:

- i) 1 block of 46 storey of service apartment and 1 block of hotel suites of 44 storey (718 units) with facilities and multi-storey car park,
- ii) 1 Small Office Versatile Office ("SOVO") Tower,
- iii) 1 shopping mall and basement car park.

The Kiara 163 project has a total GDV of approximately RM1.0 billion with 60% of the GDV comprising of service apartments which are planned to be managed by a reputable manager, with a similar concept like Fraser Place KL. The retail shopping mall will also be one of the main attraction of the development where residents/ tenants have seamless life, work and play lifestyle. Main building for retail mall and SOVO for Kiara 163 has already been completed and handed over while the balance two blocks are expected to contribute to the Group for the next two financial year.

Another prestigious project planned for the future by YNH group is the Menara YNH development, located on one of the most exclusive addresses in Kuala Lumpur city centre, in the Golden Triangle area where most prestigious 5 star hotels and upmarket office spaces are found. The commercial development sits on a 130,826 sq ft (approximately 3 acres) of land with a wide frontage of 320 feet along Jalan Sultan Ismail. The location of Menara YNH also offers easy accessibility and close proximity to efficient public transport facilities such as the Putra Light Rail Transport and the K.L Monorail station. It is also located within walking distance to all major hotels and shopping centres. This Menara YNH has a GDV of approximately RM2.1 billion. Approved development order had already been obtained for this development, comprising office tower and shopping mall.

**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2019**

**16. COMMENTARY ON PROSPECTS**

The Group has intention to keep 50% of the Menara YNH referred above as investment property and it will be used as the Group's future corporate headquarter.

The Group has also entered into a series of joint venture projects for the development of a few pieces of land strategically located near Mont' Kiara, Hartamas, Kuala Lumpur city centre, Ipoh city and Seri Manjung town. These developments are at planning stage and have an estimated gross development value of RM1.8 billion and are expected to contribute to the Group's earnings for the next 15 to 20 years.

The Group had successfully completed the construction of AEON Mall Seri Manjung in year 2012 and Pantai Specialist Centre at Seri Manjung in November 2013. The presence of AEON Mall Seri Manjung Shopping Centre and Pantai Specialist Centre will further enhance the value of the balance 700 acres of undeveloped landbanks in the Manjung Point Township.

The Company had also in the 4th quarter of 2008 acquired 95 acres of strategic development land bank in Genting Highlands. The Genting land bank is located strategically next to the Genting Highland Resort and was acquired for RM16.05 million. The advantage of this land bank is that the purchase consideration is very low and it comes with infrastructure. The land has already been converted to building title. The proximity to the existing Genting Highland Resort is an advantage as the proposed development will complement the existing infrastructure. Other plus point for this development is that it is located in a cool environment and yet is 45 minutes from the KL city centre as the existing highway is already completed from the KL city centre to the existing resort.

The proposed development for this 95 acres land bank comprises commercial, bungalows, condominium, retail and etc. for both local and foreign investors. The estimated gross development value for this future development is RM1.96 billion and expected to contribute to the Group's earnings in the next 20 years.

**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2019**

**17. FINANCE COSTS**

This is arrived at after charging:	<b>9 months ended 30.09.2019 RM</b>
Short term revolving interest	14,142,128
Term loan interest	7,958,681
Overdraft interest	<u>7,235,468</u>

**18. INCOME TAX EXPENSE**

	<b>3 months ended 30.09.2019 RM</b>	<b>3 months ended 30.06.2018 RM</b>	<b>9 months ended 30.09.2019 RM</b>	<b>9 months ended 30.06.2018 RM</b>
Tax expense for the period:				
Malaysian income tax	(6,026,773)	(12,194,506)	(10,549,491)	(15,749,506)
Deferred tax	5,755,222	5,291,786	5,170,994	6,083,524
	<u>(271,551)</u>	<u>(6,902,720)</u>	<u>(5,378,497)</u>	<u>(9,665,982)</u>

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group is as follow:

	<b>9 months ended 30.09.2019 RM</b>
Profit before tax	<u>29,797,148</u>
Taxation at applicable statutory tax rate	(7,151,316)
Expenses not deductible for tax purposes	(1,609,814)
Income not taxable	445,140
Others timing differences	2,937,493
Tax expense for the quarter/year	<u>(5,378,497)</u>

**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2019**

**19. SALES OF UNQUOTED INVESTMENTS AND PROPERTIES**

There were no sales of unquoted investments and no other sales of properties for the financial year ended 30 June 2019 except for the sales of development properties in the ordinary course of business.

**20. LOAN AND BORROWINGS**

	As at 3rd quarter ended 30.09.2019						
	Long term		Short term		Total borrowings		
	USD denomination	RM denomination	USD denomination	RM denomination	USD denomination	RM denomination	
Secured							
Secured-Finance lease liabilities	-	-	-	-	-	-	-
Secured-Term loan		293,935,465	-	16,665,227	-		310,600,692
Secured-Bank overdraft and revolving credit	-	-	-	459,729,788	-		459,729,788

	As at 3rd quarter ended 30.09.2018						
	Long term		Short term		Total borrowings		
	USD denomination	RM denomination	USD denomination	RM denomination	USD denomination	RM denomination	
Secured							
Secured-Finance lease liabilities	-	-	-	-	-	-	-
Secured-Term loan	-	151,965,603	-	149,857,750	-		301,823,353
Secured-Bank overdraft and revolving credit	-	-	-	485,069,991	-		485,069,991

The weighted average interest of borrowings is 5.95 % and RM5,059,544 of loan and borrowings in the current year are based on fixed interest rate and RM 296,763,809 of loan and borrowings are based on floating interest rate.

**21. PROFIT FORECAST**

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.



**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2019**

**22. PROVISIONS**

	As at 30.09.2019 RM	As at 31.12.2018 RM
Opening	7,125,087	15,566,620
Provision during the period/year	-	584,186
Utilisation/ written back during the period/year	(2,533,863)	(9,025,719)
Closing	<u>4,591,224</u>	<u>7,125,087</u>

**23. CHANGES IN MATERIAL LITIGATION**

As at the date of this report, the Group is not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the Group and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of YNH Property Bhd and its subsidiaries.

**24. DIVIDEND PAYABLE**

No dividend is payable during the current financial periods ended 30 September 2019.

The Company has a dividend policy of at least 30% of profit after taxation be fixed for future declaration of dividend.

**25. EARNING PER SHARE**

(a) **Basic**

Basic earning per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	3 months ended 30.09.2019 RM	3 months ended 30.09.2018 RM	9 months ended 30.09.2019 RM	9 months ended 30.09.2018 RM
Net profit for the period	11,618,069	6,894,594	24,418,651	15,187,793
Weighted average number of ordinary shares in issue	528,999,579	528,999,579	528,999,579	528,999,579
Basic earnings per share (sen)	<u>2.20</u>	<u>1.30</u>	<u>4.62</u>	<u>2.87</u>

**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2019**

**25. EARNING PER SHARE (Contd.)**

(b) **Diluted**

There is no dilution effect in calculating earning per shares because there is no Employee Share Scheme in effect during the current financial year. As such, the diluted earning per share is similar with basic earning per shares.

	<b>3 months ended 30.09.2019 RM</b>	<b>3 months ended 30.09.2018 RM</b>	<b>9 months ended 30.09.2019 RM</b>	<b>9 months ended 30.09.2018 RM</b>
Net profit for the period	11,618,069	6,894,594	24,418,651	15,187,793
Weighted average number of ordinary shares in issue	528,999,579	528,999,579	528,999,579	528,999,579
Adjusted weighted number of ordinary shares in issue	528,999,579	528,999,579	528,999,579	528,999,579
Diluted earnings per share (sen)	2.20	1.30	4.62	2.87

**26. RELATED PARTY TRANSACTION**

The Group's related party transactions cumulative period-to-date ended 30 September 2019 are as

<b>Party</b>	<b>Transaction</b>	<b>30.09.2019 RM</b>
Transaction with non-group members	Rental of equipment and transportation payable, purchase of construction material, rental of land and properties and entitlement payable	3,294,701
	Rental of properties and equipment received	1,771,821
	Sales of properties	-
	Sales of building material	-
		<hr/>
Transaction with person connected with Directors	Legal services and disbursement paid (including stamp duty etc.)	1,680,554
	Sales of properties	4,054,000
	Rental of properties received	18,000
Transaction with Directors	Sales of properties	-
	Guarantee return paid for service apartment and office	4,640,088

**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2019**

**26. RELATED PARTY TRANSACTION (Contd.)**

The Group's Directors personal compensation for the period under review are as follows:

	<b>30.09.2019</b>
	<b>RM</b>
Type of compensation	
Salaries and allowances (including employer EPF portion)(Executive directors)	7,212,278
Directors fee & allowances (Independent & non executive directors)	265,625
	<u>7,477,903</u>

**27. UPDATE OF MEMORANDUM OF UNDERSTANDING**

The Group has on 4 February 2015 entered into a Memorandum of Understanding ("MOU") in relation to a proposed hotel to be branded as " Hilton Kuala Lumpur City Centre & Residences", to be managed by Hilton Worldwide Manage Limited, for its Menara YNH Development in Kuala Lumpur City Centre. No further changes arise from the date of the MOU to the date of this interim report.

**28. AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 November 2019.

**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2019**

**29. SEGMENTAL REPORTING**

	Property Development & Construction		Hotel & Hospitality		Adjustment & Elimination		Consolidated	
	30.09.2019 RM	30.09.2018 RM	31.03.2019 RM	30.09.2018 RM	30.09.2019 RM	30.09.2018 RM	30.09.2019 RM	30.09.2018 RM
<b>Revenue</b>								
External customers	217,230,508	228,902,028	41,760,327	47,059,657	-	-	258,990,835	275,961,685
Inter-segment	-		78,590	215,377	(78,590)	(215,377)	-	-
<b>Results</b>								
Interest income	97,319	138,523		-	-	-	97,319	138,523
Dividend income	-	-		-	-	-	-	-
Depreciation	8,436,814	9,372,677	357,800	1,074,420	-	-	8,794,614	10,447,097
Finance cost	28,585,541	28,184,753	750,736	762,846	-	-	29,336,277	28,947,599
Profit/(loss) before taxation	37,557,233	25,153,355	345,301	(299,580)	-	-	37,902,534	24,853,775
<b>Segment assets</b>	2,087,565,443	1,762,292,824	252,728,281	289,050,758	-	-	2,340,293,724	2,051,343,582
<b>Segment liabilities</b>	878,099,616	828,079,131	256,623,284	287,395,446	-	-	1,134,722,900	1,115,474,577