



YNH PROPERTY BHD
(Incorporated in Malaysia)

(561986-V)

Interim Financial Statements
31 December 2021

YNH PROPERTY BHD
(Incorporated in Malaysia)

Condensed Consolidated Profit or Loss and Other Comprehensive Income
For the Twelve Months Period Ended 31 December 2021

	Note	3 months ended		12 months ended	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
		RM	RM	RM	RM
Revenue		117,483,142	128,896,566	262,664,051	179,901,348
Cost of sales		(70,969,981)	(97,528,798)	(142,171,651)	(107,575,914)
Gross profit		46,513,161	31,367,768	120,492,400	72,325,434
Other income		1,673,173	11,436,203	17,124,451	53,539,824
Administrative expenses		(14,134,515)	(18,367,559)	(46,218,951)	(60,383,271)
Selling and marketing expenses		(3,491,037)	(3,182,265)	(11,291,057)	(5,696,614)
Other operating expenses		(2,636,676)	(3,537,210)	(9,532,710)	(4,806,635)
Profit from operations		(20,262,228)	(25,087,034)	(67,042,718)	(70,886,520)
		27,924,106	17,716,937	70,574,133	54,978,738
Finance costs	17	(10,222,070)	(10,195,532)	(34,926,273)	(38,036,576)
Profit before tax		17,702,036	7,521,405	35,647,860	16,942,162
Income tax expense	18	(7,699,531)	(5,567,803)	(14,893,247)	(10,136,830)
Profit for the period		10,002,505	1,953,602	20,754,613	6,805,332
Other comprehensive income					
-Foreign currency translation difference		(12,459)	99,256	(102,693)	(692,800)
Total comprehensive income for the period		9,990,046	2,052,858	20,651,920	6,112,532
Loss per share (sen)					
Basic	25 (a)	(0.34)	(1.33)	(0.63)	(2.13)
Diluted	25 (b)	(0.34)	(1.33)	(0.63)	(2.13)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the financial statements.

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**Condensed Consolidated Statement of Financial Position
As at 31 December 2021**

	Note	As at 31.12.2021 RM	As at 31.12.2020 RM
NON-CURRENT ASSETS			
Property, plant and equipment	8	103,152,395	106,547,095
Right of use		55,497,960	57,303,111
Deferred tax assets		95,736,727	91,390,263
Investment properties		290,303,871	301,678,132
Goodwill on consolidation		17,626,036	17,626,036
Inventories		1,378,529,363	1,315,179,348
		<u>1,940,846,352</u>	<u>1,889,723,985</u>
CURRENT ASSETS			
Inventories		324,511,908	391,332,644
Trade and other receivables	9(a)	99,098,314	121,107,092
Other current assets		5,156,941	9,608,783
Contract assets		3,189,930	15,850,600
Tax recoverable		1,241,051	1,224,390
Cash and bank balances		47,706,368	50,817,484
		<u>480,904,512</u>	<u>589,940,993</u>
TOTAL ASSETS		<u>2,421,750,864</u>	<u>2,479,664,978</u>

Condensed Consolidated Statement of Financial Position as at 31 December 2021
(Contd.)

	Note	As at 31.12.2021 RM	As at 31.12.2020 RM
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		528,999,579	528,999,579
Perpetual securities	6 (c)	345,915,827	345,915,827
Treasury shares		(970,157)	(970,157)
Other reserves		31,119,379	31,222,072
Retained earnings		324,496,941	327,816,043
Total equity		<u>1,229,561,569</u>	<u>1,232,983,364</u>
Non-Current Liabilities			
Deferred tax liabilities		25,705,125	31,766,643
Lease liabilities		-	4,638,166
Long term liabilities	20	280,343,605	318,691,980
		<u>306,048,730</u>	<u>355,096,789</u>
CURRENT LIABILITIES			
Trade and other payables		253,507,143	301,024,634
Contract liabilities		34,505,829	140,662,141
Provisions	22	402,459	479,390
Borrowings	20	533,346,450	395,854,391
Lease liabilities		8,651,698	20,041,188
Income tax payable		55,726,986	33,523,081
		<u>886,140,565</u>	<u>891,584,825</u>
TOTAL LIABILITIES		<u>1,192,189,295</u>	<u>1,246,681,614</u>
TOTAL EQUITY AND LIABILITIES		<u>2,421,750,864</u>	<u>2,479,664,978</u>
NTA per share (RM)		<u>2.29</u>	<u>2.30</u>
Net asset per share (RM)		<u>2.32</u>	<u>2.33</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the financial statements.

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**Condensed Consolidated Statement of Changes in Equity
For the Twelve Months Period Ended 31 December 2021**

	Attributable to Equity Holders of the Company								Total RM
	Share capital RM	Perpetual capital securities RM	Non-distributable			Distributable		Retained profits RM	
			Share Option Reserve RM	Share Premium RM	Translation Reserve RM	Capital Reserve RM	Treasury Shares RM		
Opening balance at 1 January 2020	528,999,579	260,420,981.00	-	-	5,336,818	26,578,054	(970,157)	352,287,763	1,172,653,038
<u>Comprehensive income</u>									
Profit for the year	-	-	-	-	-	-	-	6,805,332	6,805,332
Issued during the year		85,494,846							85,494,846
<u>Other comprehensive income</u>									
-Foreign currency translation difference	-		-	-	(692,800)	-	-	-	(692,800)
-Coupon payment								(31,277,052)	(31,277,052)
Closing balance at 31 December 2020	528,999,579	345,915,827	-	-	4,644,018	26,578,054	(970,157)	327,816,043	1,232,983,364
Opening balance at 1 January 2021	528,999,579	345,915,827.00	-	-	4,644,018	26,578,054	(970,157)	327,816,043	1,232,983,364
<u>Comprehensive income</u>									
Profit for the year	-		-	-	-	-	-	20,754,613	20,754,613
<u>Other comprehensive income</u>									
Foreign currency translation difference	-	-	-	-	(102,693)	-	-	-	(102,693)
Coupon payment	-	-	-	-	-	-	-	(24,073,715)	(24,073,715)
Closing balance at 31 December 2021	528,999,579	345,915,827	-	-	4,541,325	26,578,054	(970,157)	324,496,941	1,229,561,569

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the financial statements.

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Condensed Consolidated Statement of Cash Flow
For the Twelve Months Period Ended 31 December 2021

	12 months ended 31.12.2021 RM	12 months ended 31.12.2020 RM
Profit before taxation	<u>35,647,860</u>	<u>16,942,162</u>
Net cash (used in)/from operating activities	(5,976,507)	168,956,617
Net cash used in investing activities	(72,204,577)	(236,058,003)
Net cash from financing activities	<u>66,137,753</u>	<u>98,984,555</u>
Net (decrease)/increase in cash and cash equivalents	(12,043,331)	31,883,169
Cash and cash equivalents at beginning of financial period	(11,392,422)	(43,275,591)
Cash and cash equivalents at end of financial period	<u>(23,435,753)</u>	<u>(11,392,422)</u>

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

Fixed deposits	824,298	824,298
Less: pledged fixed deposits	(824,298)	(824,298)
	-	-
* Cash and bank balances	46,882,070	49,991,156
Bank overdraft (included within borrowings in Note 20)	(70,317,823)	(61,383,578)
	<u>(23,435,753)</u>	<u>(11,392,422)</u>

* Included in cash at banks of the Group are amounts of RM 3,756,756 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 2020 and the accompanying explanatory notes attached to the financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2021

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 2020 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 2020. 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 2020.

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2020 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

On 11 March 2020, the World Health Organization declared the Coronavirus ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The emergence of the Covid-19 outbreak since mid-March 2020 has brought significant economic uncertainties in Malaysia.

The Group and the Company will continuously monitor the impact of Covid-19 on its operations and its financial performance. The Group and the Company will also be taking appropriate and timely measures to minimize the impact of the outbreak on the Group's operations.

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 2021. There were no changes in estimates that have had a material effect in the current quarter results.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2021

6. CAPITAL MANAGEMENT, DEBT AND EQUITY SECURITIES

Details of the movement of debt and equity securities during the financial period ended 31 December are as follows:

(a) Treasury Shares

There is no purchase of treasury shares during the current quarter of the financial period ended 31 December 2021. Total treasury shares repurchased cumulatively as at 31 December 2021 is 512,512 ordinary shares, representing a cumulative 0.10% of the total paid up share capital of the company as at 31 December 2021. 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 31 December 2021.

(b) Financing activities

The Group obtained a loan facility from a financial institution during the second quarter of the financial year. The loan facility granted to the group is RM130 million. The purpose of the loan is for the group's corporate exercise and for general working capital requirement, including to support the initial development cost associated with the group's developments and to repay existing obligations.

(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 31 December 2021, are as follows:

	31.12.2021	31.12.2020
	RM	RM
Total borrowing	813,690,055	714,546,371
Lease liabilities	8,651,698	24,679,354
Trade and other payables	253,507,143	301,024,634
Net debts	<u>1,075,848,896</u>	<u>1,040,250,359</u>
Equity attributable to the owners of parents	<u>1,229,561,569</u>	<u>1,232,983,364</u>
Gearing ratio	<u>87%</u>	<u>84%</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2021

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

(c) Capital Management

The details of the issuance and repayment of debts and equity instrument in the current quarter ended 31 December 2021 are as follows:

	31.12.2021
	RM
Drawdown of revolving credit (net of repayment)	115,197,228
Pledged of fixed deposit	(5,880)
Coupon payment	(24,073,715)
Repayment of term loan (net of drawdown)	(24,979,880)

Company has on 25 November 2021 made a lodgment with the Securities Commission Malaysia (“SC”) for the establishment of the Sukuk Wakalah Programme pursuant to the SC’s Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (issued by the SC on 9 March 2015 and revised on 22 November 2021, as amended from time to time).

The Sukuk Wakalah Programme is structured based on the Shariah principle of Wakalah Bi Al-Istithmar and accords the Company the flexibility to issue secured or unsecured Sukuk Wakalah from time to time. The Sukuk Wakalah Programme has been assigned a preliminary rating of A+IS by Malaysian Rating Corporation Berhad.

HSBC Amanah Malaysia Berhad (“**HSBC Amanah**”) is the sole Principal Adviser, Lead Arranger and Shariah Adviser for the Sukuk Wakalah Programme, whereas CIMB Investment Bank Berhad and HSBC Amanah are the Joint Lead Managers for the Sukuk Wakalah Programme.

7. DIVIDEND PAID

No dividend was paid for the financial period ended 31 December 2021.

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 2020.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2021**9(a) TRADE AND OTHER RECEIVABLES**

	As at 31.12.2021	As at 31.12.2020
	RM	RM
Trade receivables	96,206,260	117,811,652
Less: Provision for impairment	(11,522,247)	(11,052,153)
	<hr/>	<hr/>
	84,684,013	106,759,499
Other receivables	14,414,301	14,347,593
	<hr/>	<hr/>
	99,098,314	121,107,092

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 RM 2,473,950 owing by certain directors of the Company
- (ii) an amount of RM 1,653,600 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.

10. SUBSEQUENT EVENTS

There is no subsequent event to the interim financial statement and the date of this interim report.

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 31 December 2021 and the date of this interim financial report.

13. CAPITAL COMMITMENTS

There is not capital commitment as at 31 December 2021.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2021

14. PERFORMANCE REVIEW

	3 months ended		changes		12 months ended		changes	
	31.12.2021	31.12.2020	RM	%	31.12.2021	31.12.2020	RM	%
	RM	RM			RM	RM		
Revenue	117,483,142	128,896,566	(11,413,424)	-9%	262,664,051	179,901,348	82,762,703	46%
Profit from operations	27,924,106	17,716,937	10,207,169	58%	70,574,133	54,978,738	15,595,395	28%
Profit before tax	17,702,036	7,521,405	10,180,631	135%	35,647,860	16,942,162	18,705,698	110%
Profit for the period	10,002,505	1,953,602	8,048,903	412%	20,754,613	6,805,332	13,949,281	205%

The Group's cumulative turnover for the current financial period ended 31 December 2021 is 262,664,051 RM (year 2021-RM179,901,348) and profit before taxation is reported at RM35,647,860 (year 2020-RM16,942,162). Profit before taxation for the current quarter is higher compared to previous year's corresponding quarter due to smoother site progress as a result of the open up of the construction sector in the current financial year. The Group's performance for this year is mainly derived from profit recognition from sales of inventories in Pangsapuri Samudera , and progressive profit recognition of Kiara 163.

	Current Quarter RM	Immediate Preceding Quarter RM	Changes	
			RM	%
Revenue	117,483,142	36,139,625	81,343,517	225%
Profit from operations	27,924,106	14,495,857	13,428,249	93%
Profit before tax	17,702,036	6,073,028	11,629,008	191%
Profit for the period	10,002,505	5,114,096	4,888,409	96%

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2021

14. PERFORMANCE REVIEW (Contd.)

On a quarter to quarter basis, the current quarter profit before taxation of RM17,702,036 is higher than previous quarter of RM6,073,028. This is due to higher percentage of completion for both Kuala Lumpur and Perak projects' progress as a result of the open up of the construction sector. K163 Kuala Lumpur has reached an advanced stage of completion during the current financial year.

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

<u>Other operating income</u>	31.12.2021	31.12.2020
	RM	RM
Gain on de-recognition of right of use upon termination	-	26,103,946
Rental income from properties and machineries	14,243,625	18,956,127
Sales of building material & others	137,737	307,707
Provision for impairment written back	1,164,294	1,067,356
Cost adjustment upon final contract	-	4,892,487
Others	1,578,795	2,212,201
	<u>17,124,451</u>	<u>53,539,824</u>

15. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

16. COMMENTARY ON PROSPECTS

The local and global economic climate remains challenging due to the uncertainties caused by COVID -19 pandemic. The group's project progress as well as hospitality arm are affected by the pandemic. The Group has taken counter measures and complied to strict SOP with regards to hygiene and sanitization for offices, project sites and retail mall to lessens the impact of MCO and allows the Group to be able to catch up the progress of each sectors respectively. In addition, the stimulus package announced by the government, including the reduction of Overnight Policy Rate and re-introduction of house ownership campaign will make home ownership more affordable. As such, the Board is cautiously optimistic that demand for property will be sustainable, given the strategic location and correct pricing of our properties.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2021

16. COMMENTARY ON PROSPECTS (Contd.)

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. The retail shopping mall will 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 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 center, 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 centers. 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.

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 center, 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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2021

16. COMMENTARY ON PROSPECTS (Contd.)

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 center as the existing highway is already completed from the KL city center 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.

17. FINANCE COSTS

This is arrived at after charging:

12 months ended
31.12.2021
RM

Revolving credit interest	13,700,446
Term loan interest	18,133,460
Overdraft interest	3,092,367
	<hr/>

18. INCOME TAX EXPENSE

	3 months ended	3 months ended	12 months ended	12 months ended
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM	RM	RM	RM
Tax expense for the period:				
Malaysian income tax	(7,837,077)	(6,592,999)	(19,118,852)	(17,642,757)
Deferred tax	137,546	1,025,196	4,225,605	7,505,927
	<hr/>	<hr/>	<hr/>	<hr/>
	(7,699,531)	(5,567,803)	(14,893,247)	(10,136,830)

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2021

18. INCOME TAX EXPENSE (Contd.)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate

	12 months ended
	31.12.2021
	RM
Profit before tax	<u>35,647,860</u>
Taxation at applicable statutory tax rate	(8,555,486)
Expenses not deductible for tax purposes	(6,197,769)
Income not taxable	-
Others timing differences	(139,992)
Tax expense for the quarter/year	<u>(14,893,247)</u>

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 31 December 2021 except for the sales of development properties in the ordinary course of business.

20. LOAN AND BORROWINGS

	As at 4th quarter ended 31.12.2021					
	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		280,343,605	-	48,148,417	-	328,492,022
Secured-Bank overdraft and revolving credit	-	-	130,000,000	355,198,033	130,000,000	355,198,033

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2021

20. LOAN AND BORROWINGS (Contd.)

	As at 4th quarter ended 31.12.2020					
	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	-	318,691,980	-	30,486,869	-	349,178,849
Secured-Bank overdraft and revolving credit	-	-	-	365,367,522	-	365,367,522

The weighted average interest of borrowings is 5.15 % and RM1,062,746 of loan and borrowings in the current year are based on fixed interest rate and RM 816,282,146 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.

22. PROVISIONS

	As at 31.12.2021	As at 31.12.2020
	RM	RM
Opening	479,390	429,459
Provision during the period/year	-	650,382
Utilization/ written back during the period/year	(76,931)	(600,451)
Closing	<u>402,459</u>	<u>479,390</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 material 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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2021

24. DIVIDEND PAYABLE

No dividend payable for the financial year ended 31 December 2021.

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	3 months ended	12 months ended	12 months ended
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM	RM	RM	RM
Net profit for the period	10,002,505	1,953,602	20,754,613	6,805,332
Distribution to holders of perpetual securities	(11,774,657)	(8,983,071)	(24,073,715)	(18,064,857)
Loss attributable to ordinary equity holders	(1,772,152)	(7,029,469)	(3,319,102)	(11,259,525)
Weighted average number of ordinary shares in issue	528,999,579	528,999,579	528,999,579	528,999,579
Basic loss per share (sen)	(0.34)	(1.33)	(0.63)	(2.13)

(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.

	3 months ended	3 months ended	12 months ended	12 months ended
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM	RM	RM	RM
Net profit for the period	10,002,505	1,953,602	20,754,613	6,805,332
Distribution to holders of perpetual securities	(11,774,657)	(8,983,071)	(24,073,715)	(18,064,857)
Loss attributable to ordinary equity holders	(1,772,152)	(7,029,469)	(3,319,102)	(11,259,525)
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 loss per share (sen)	(0.34)	(1.33)	(0.63)	(2.13)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2021

26. RELATED PARTY TRANSACTION

The Group's related party transactions cumulative period-to-date ended 31 December 2021 are as follows:

Party	Transaction	31.12.2021 RM
Transaction with non-group members	Rental of equipment and transportation payable, purchase of construction material, rental of land and properties and entitlement payable	3,231,765
	Rental of properties and equipment received	872,720
Transaction with person connected with Directors	Legal services and disbursement paid (including stamp duty etc.)	<u>3,536,581</u>
Transaction with Directors	Sales of properties	<u>8,892,220</u>

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

	31.12.2021 RM
Type of compensation	
Salaries and allowances (including employer EPF portion)(Executive directors)	10,097,159
Directors fee & allowances (Independent & non executive directors)	<u>303,224</u>
	<u>10,400,383</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 authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 28 February 2022.

YNH PROPERTY BHD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2021

29. SEGMENTAL REPORTING

	Property Development & Construction		Hotel & Hospitality		Adjustment & Elimination		Consolidated	
	31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM	31.12.2021 RM	31.12.2020 RM
Revenue								
External customers	253,081,517	161,837,676	9,582,534	18,063,672	-	-	262,664,051	179,901,348
Results								
Interest income	36,465	1,630,215	759,176	1,157,151	(759,176)	(1,157,151)	36,465	1,630,215
Dividend income					-	-	-	-
Depreciation	4,927,499	12,642,525	4,473,519	9,376,238	-	-	9,401,018	22,018,763
Finance cost	34,203,354	36,029,097	722,919	2,007,479	-	-	34,926,273	38,036,576
Profit/(loss) before taxation	30,897,623	26,801,141	4,750,237	(9,858,979)	-	-	35,647,860	16,942,162
Segment assets	2,240,230,158	2,247,479,397	181,520,706	232,185,581	-	-	2,421,750,864	2,479,664,978
Segment liabilities	1,152,218,260	1,186,050,359	39,971,035	60,631,255	-	-	1,192,189,295	1,246,681,614