

**Y&G CORPORATION BHD.** [Registration No. : 196501000612 (6403-X)]

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

	----- INDIVIDUAL QUARTER -----		----- CUMULATIVE QUARTER -----	
	Current Year Quarter 31 Mar 2021	Preceding Year Corresponding Quarter 31 Mar 2020	Current Year To-date 31 Mar 2021	Preceding Year Corresponding Period 31 Mar 2020
	RM'000	RM'000	RM'000	RM'000
Revenue	12,653	7,446	12,653	7,446
Operating expenses	(10,552)	(7,570)	(10,552)	(7,570)
Other operating income	48	17	48	17
<b>Profit / (Loss) From Operations</b>	<b>2,149</b>	<b>(107)</b>	<b>2,149</b>	<b>(107)</b>
Interest income	68	104	68	104
Interest expenses	(182)	(81)	(182)	(81)
<b>Profit / (Loss) Before Tax</b>	<b>2,035</b>	<b>(84)</b>	<b>2,035</b>	<b>(84)</b>
Taxation	(547)	(943)	(547)	(943)
<b>Profit / (Loss) For The Period</b>	<b>1,488</b>	<b>(1,027)</b>	<b>1,488</b>	<b>(1,027)</b>
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income / (Loss)</b>	<b>1,488</b>	<b>(1,027)</b>	<b>1,488</b>	<b>(1,027)</b>
<b>Attributable to:</b>				
Equity holders of the parent	1,489	(1,027)	1,489	(1,027)
Non-controlling interests	(1)	*	(1)	*
	<b>1,488</b>	<b>(1,027)</b>	<b>1,488</b>	<b>(1,027)</b>
<b>Total Comprehensive Income / (Loss) attributable to equity holders of the parent :</b>				
Basic Earnings/(Loss) per share (Sen)	0.68	(0.47)	0.68	(0.47)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the Year Ended 31 Dec 2020 and the accompanying notes attached to the Interim Financial Statements.

**Y&G CORPORATION BHD.** [Registration No. : 196501000612 (6403-X)]

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021**

	As at end of Current Quarter 31 Mar 2021	As at Preceding Year Ended 31 Dec 2020
	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,643	1,703
Investment property	17,833	17,891
Land held for property development	162,483	161,909
Deferred tax assets	1,605	1,651
	<b>183,564</b>	<b>183,154</b>
<b>CURRENT ASSETS</b>		
Inventories	57,001	62,058
Property development expenditure	38,687	38,242
Contract assets	13,857	12,113
Trade receivables	26,402	20,872
Other receivables, deposits and prepayments	2,824	2,862
Current tax assets	1,097	1,133
Cash and cash equivalents	59,582	66,644
	<b>199,450</b>	<b>203,924</b>
<b>TOTAL ASSETS</b>	<b>383,014</b>	<b>387,078</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders of parent -		
Share capital	218,478	218,478
Retained earnings	77,250	75,761
	<b>295,728</b>	<b>294,239</b>
NON-CONTROLLING INTEREST	491	492
<b>TOTAL EQUITY</b>	<b>296,219</b>	<b>294,731</b>
<b>NON-CURRENT LIABILITIES</b>		
Obligation under finance leases (Long Term)	581	666
Term Loan (Long Term)	32,698	32,893
Deferred tax liabilities	9,855	10,077
	<b>43,134</b>	<b>43,636</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	27,857	31,861
Other payables and accruals	8,128	7,930
Obligation under finance leases (Short Term)	322	324
Term Loan (Short Term)	7,251	8,478
Current tax liabilities	103	118
	<b>43,661</b>	<b>48,711</b>
<b>TOTAL LIABILITIES</b>	<b>86,795</b>	<b>92,347</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>383,014</b>	<b>387,078</b>
Net assets / share attributable to ordinary equity holders of the parent (RM)	1.35	1.35

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the Year Ended 31 Dec 2020 and the accompanying notes attached to the Interim Financial Statements.

**Y&G CORPORATION BHD.** [Registration No. : 196501000612 (6403-X)]

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

	Share capital	Irredeem- able convertible preference shares	Warrant reserve	Retained earnings	Non - controlling interest	TOTAL EQUITY
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Current Quarter</b>						
Balance as at 1 January 2021	218,478	-	-	75,761	492	294,731
Profit / (Loss) after tax	-	-	-	1,489	(1)	1,488
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	1,489	(1)	1,488
Transaction with owners :						
Dividend paid	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
<b>Balance as at 31 Mar 2021</b>	<b>218,478</b>	<b>-</b>	<b>-</b>	<b>77,250</b>	<b>491</b>	<b>296,219</b>
<b>Preceding Year's Corresponding Quarter</b>						
Balance as at 1 January 2020	218,478	-	-	74,989	482	293,949
Profit / (Loss) after tax	-	-	-	(1,027)	-	(1,027)
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Loss	-	-	-	(1,027)	-	(1,027)
Transaction with owners :						
Dividend paid	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
<b>Balance as at 31 Mar 2020</b>	<b>218,478</b>	<b>-</b>	<b>-</b>	<b>73,962</b>	<b>482</b>	<b>292,922</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the Year Ended 31 Dec 2020 and the accompanying notes attached to the Interim Financial Statements.

**Y&G CORPORATION BHD.** [Registration No. : 196501000612 (6403-X)]

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

	<b>Current Quarter Ended 31 Mar 2021</b>	<b>Preceding Year Quarter 31 Mar 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>PROFIT / (LOSS) BEFORE TAX</b>	<b>2,035</b>	<b>(84)</b>
Depreciation on property, plant and equipment	75	108
Amortisation of investment property	58	58
Interest on obligation under finance leases	10	6
Term & bridging loan interest	172	75
Interest income	(68)	(104)
Unrealised gain on foreign exchange	(132)	-
<b>Operating Profit Before Working Capital Changes</b>	<b>2,150</b>	<b>59</b>
<b>CHANGES IN WORKING CAPITAL :</b>		
Decrease/(Increase) in inventories	5,057	2,943
Decrease/(Increase) in property development costs	(445)	(4,807)
Decrease/(Increase) in contract assets/liabilities	(1,744)	(1,717)
Decrease/(Increase) in receivables	(5,492)	(4,611)
(Decrease)/Increase in payables	(3,806)	(34,567)
Cash Used In Operations	(4,280)	(42,700)
Taxes paid	(702)	(976)
<b>Net Cash Flows Used In Operating Activities</b>	<b>(4,982)</b>	<b>(43,676)</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(15)	(543)
Addition of land held for property development	(574)	(380)
Interest income	68	104
<b>Net Cash Flows Used In Investing Activities</b>	<b>(521)</b>	<b>(819)</b>
<b>FINANCING ACTIVITIES</b>		
Net Drawdown of loans and borrowings	-	5,488
Repayment of obligation under finance lease	(87)	(71)
Repayment of term and bridging loans	(1,422)	(1,730)
Interest on obligation under finance leases	(10)	(6)
Term loan interest	(172)	(75)
Advance from / (Repayment to) directors	-	44
<b>Net Cash Flow (Used In) / Generated From Financing Activities</b>	<b>(1,691)</b>	<b>3,650</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(7,194)</b>	<b>(40,845)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>66,644</b>	<b>66,391</b>
Effects of exchange rate changes on cash and cash equivalents	132	-
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>59,582</b>	<b>25,546</b>
<b><u>Cash and cash equivalents comprise the followings :</u></b>		
Cash and bank balances	43,860	15,941
Fixed deposits with licensed banks (*)	15,722	9,605
	<b>59,582</b>	<b>25,546</b>

(\*) : Included in the fixed deposits with licensed banks are deposits amounting to RM5.920M (2020 : Nil) pledged to licensed banks as securities for banking facilities granted to certain subsidiaries

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the Year Ended 31 Dec 2020 and the accompanying notes attached to the Interim Financial Statements)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

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**1. BASIS OF PREPARATION**

The Interim Financial Statements for the first quarter ended 31 March 2021 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 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020.

These explanatory notes attached to the Interim Financial Statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2020.

**2. CHANGES IN ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted by the Group in preparing this Interim Financial Statements are consistent with those adopted in the Audited Financial Statements for the year ended 31 December 2020.

On 1 January 2021, the Group has adopted the following new and amended Malaysian Financial Reporting Standards ("MFRSs") and Issues Committee ("IC") Interpretation mandatory for annual financial periods beginning on or after 1 January 2021 :

Amendments to MFRS 4, MFRS 7, Interest Rate Benchmark Reform - Phase 2  
MFRS 9, MFRS 16 and MFRS 139

The adoption of the new and amended MFRSs that came into effect during the financial quarter under review do not have any material effect on the financial performance or position of the Group.

The following Standards, Amendments and IC Interpretations have been issued by the MASB but have not been effective and have not been adopted by the Group :

Effective for the financial periods beginning on or after 1 January 2022

Amendments to MFRS 1, MFRS 9 and MFRS 141	Annual Improvements to MFRSs 2018 - 2020 Cycle
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before intended use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract

Effective for the financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current

Effective date to be announced

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021****3. AUDITORS' REPORT ON PRECEDING AUDITED FINANCIAL STATEMENTS**

The auditors' report on the Audited Financial Statements for the year ended 31 December 2020 was not subject to any qualification.

**4. SEASONAL OR CYCLICAL FACTORS**

The business operations of the Group for the current financial quarter and year-to-date were not subject to any seasonal or cyclical factors.

**5. UNUSUAL ITEMS**

There were no unusual items which have a material effect on the assets, liabilities, equity, net income or cash flow of the Group for the current financial quarter and year-to-date.

**6. CHANGES IN ESTIMATES**

There were no changes in estimates of amounts reported in prior financial years which may have a material effect in the current financial quarter.

**7. DEBT, EQUITY AND CONVERTIBLE SECURITIES**

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

**8. DIVIDEND PAID**

The Company did not make any payment of dividends during the current financial quarter.

**9. PROFIT / (LOSS) BEFORE TAX**

The following items have been included in arriving at profit / (loss) before tax :

	----- Individual Quarter -----		----- Cumulative Quarter -----	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	RM'000	RM'000	RM'000	RM'000
Depreciation on property, plant and equipment	75	108	75	108
Amortisation of investment property	58	58	58	58
Unrealised gain on foreign exchange	(132)	-	(132)	-

Save for the items disclosed in the Statement of Comprehensive Income and the note above, other items pursuant to Appendix 9B Note 16 of the MMLR are not applicable.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021****10. SEGMENTAL INFORMATION**

The analysis of the Group's operations for the current financial year-to-date ended 31 March 2021 are as follows :

	<u>Property Investment &amp; Others</u> RM'000	<u>Property Development</u> RM'000	<u>GROUP</u> RM'000
Segment Revenue - External	184	12,469	12,653
Segment Results	(346)	2,495	2,149
Interest Income			68
Interest Expenses			(182)
<b>Profit Before Tax</b>			<b>2,035</b>
Taxation			(547)
<b>Profit for the Period</b>			<b>1,488</b>

**11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

The valuation of property, plant and equipment has been brought forward without any amendments from the Audited Financial Statements for the year ended 31 December 2020.

**12. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD UNDER REVIEW**

There were no material events subsequent to the end of the current financial quarter that have not been reflected in the Interim Financial Statements as at the date of this Quarterly Report.

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

There was no material change in the composition of the Group for the current financial quarter and year to-date.

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

There was no material contingent liabilities and/or contingent assets as at the date of this Quarterly Report.

**15. CAPITAL COMMITMENTS**

There was no material capital commitments which are not provided for in the Interim Financial Statements as at the date of this Quarterly Report.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021****16. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR-TO-DATE**

The Group's revenue was mainly derived from the development activities for the current financial quarter and year-to-date ended 31 March 2021.

	Individual Quarter and Cumulative Quarter (Year-To-Date)		Changes RM'000
	Current Year Current Quarter and Year-To-Date 31 Mar 2021 ("Q1FY21 and YTD2021") RM'000	Preceding Year Corresponding Quarter and Year-To-Date 31 Dec 2020 ("Q1FY20 and YTD2020") RM'000	
Revenue	12,653	7,446	5,207
Operating Profit	2,281	60	2,221
Profit/(Loss) Before Interest and Tax	2,217	(3)	2,220
Profit/(Loss) Before Tax ("PBT"/"LBT")	2,035	(84)	2,119
Profit/(Loss) After Tax ("PAT"/"LAT")	1,488	(1,027)	2,515
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	1,489	(1,027)	2,516

The Group reported a higher revenue of RM12.65 million for the current Q1FY21 and YTD2021 as compared to RM7.45 million reported in the preceding year's corresponding Q1FY20 and YTD2020. The increase in revenue was mainly due to the rebound in sales (primarily contributed from the sales of inventories) arising from our attractive sales promotion packages offered coupled with the National Home Ownership Campaign ("HOC 2020/2021 despite the disruption caused by the Movement Control Order ("MCO") 2.0 which was imposed by the Government starting from 13 January 2021 to curb the spread of the COVID-19.

The Group reported a PAT of RM1.49 million in the current Q1FY21 and YTD2021 as compared to a LAT of RM1.03 reported in the preceding year's corresponding Q1FY20 and YTD2020 mainly due to the increase in revenue as above-mentioned.

Under the new accounting standard MFRS15, the revenues generated from the existing PPAM Scheme Project amounting to RM1.10 million for the current Q1FY21 and YTD2021, could not be recognised until the Project has been fully completed and handed-over to the Purchasers (which is expected to be within this current FY21). Had these revenues been recognised, the Group's revenues for the current Q1FY21 and YTD2021 would have been RM13.75 million.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021****17. FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER**

	Current Quarter 31 Mar 2021 ("Q1FY21") RM'000	Immediate Preceding Quarter 31 Dec 2020 ("Q4FY20") RM'000	Changes RM'000
Revenue	12,653	14,347	(1,694)
Operating Profit	2,281	2,970	(689)
Profit Before Interest and Tax	2,217	1,927	290
Profit Before Tax ("PBT")	2,035	1,641	394
Profit After Tax ("PAT")	1,488	945	543
Profit Attributable to Ordinary Equity Holders of the Parent	1,489	934	555

The Group recorded a lower revenue of RM12.65 million for the current Q1FY21 as compared to RM14.35 million reported in the immediate preceding Q4FY20.

Despite a lower revenue in the current Q1FY21, the Group posted a higher PBT of RM2.04 million in the current Q1FY21 as compared to RM1.64 million reported in the immediate preceding Q4FY20 primarily due to the RM1.00 million provision for uncollectible deposit made in the immediate preceding Q4FY20.

**18. PROSPECTS**

The Malaysian property market remains weighed down by high and rising unsold completed units in the primary market. The weaker buying interest for properties due to COVID-19 pandemic induced economic crisis and the continued stringent lending policy by most financial institutions in Malaysia and the recent implementation of MCO 3.0, have further affected the property sector negatively.

However, the re-introduction of HOC 2020/2021 is expected to be an important catalyst to stimulate property sales in Malaysia whereby the campaign offers a minimum 10% discount on property prices and stamp duty exemption for homebuyers. Property sales are also expected to improve in tandem with the recovery in the economy in view of the recent rollout of vaccination program throughout Malaysia since February 2021.

While property market conditions are likely to remain soft in the medium term, projects that are strategically located and appropriately priced will continue to see strong demand. The Group's primary focus is to follow through on its existing new projects leveraging on our expertise in building affordable homes. We will continue the efforts to monetise our existing inventories, tapping on the HOC 2020/2021 to improve the Group's cashflow position further. Besides that, we will also continue to work closely with the financial institutions and potential homebuyers to address the issues pertaining to tight financing and high loan rejection rates.

The Group's unbilled sales stood at RM84.63 million as at 31 March 2021, which is expected to continue to contribute positively to the Group's earnings in the near future.

**19. PROFIT FORECAST AND PROFIT GUARANTEE**

Not applicable as the Company did not issue any profit forecast and/or profit guarantee.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021****20. TAXATION**

The taxation charge for the Group are as follows :

	Current Quarter RM'000	Current Year-To-Date RM'000
<b>Income tax expense :-</b>		
Estimated current year tax	(723)	(723)
Under provision in prior year	-	-
	<b>(723)</b>	<b>(723)</b>
<b>Deferred tax :-</b>		
Reversal of deferred tax liabilities	222	222
Reversal of deferred tax assets	(46)	(46)
	176	176
	<b>(547)</b>	<b>(547)</b>

The Group's effective tax rates for both the current financial quarter and year-to-date are higher than the Malaysian statutory tax rate of 24% primarily due to the progressive amortization (through charging out as part of development costs) of the development projects' revaluation surplus, which is not deductible for tax purposes coupled with the non-group tax relief to the Group.

**21. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES**

There was no sale of unquoted investments and/or properties for the current financial quarter and year-to-date.

**22. QUOTED SECURITIES**

There was no purchase or disposal of quoted securities for the current financial quarter and year-to-date.

**23. TRADE RECEIVABLES**

	----- GROUP -----	
	As At 31 Mar 2021 RM'000	As At 31 Dec 2020 RM'000
Property Development	25,243	19,300
Management Fee	1,159	1,572
	<b>26,402</b>	<b>20,872</b>

Trade receivables comprise receivables from property development and management fee.

The trade receivables from property development comprises progress billings receivable from on-going development projects and received retention sums of completed development projects held by the solicitors as stakeholder in pursuant to the sale and purchase agreements. The progress billings are due within 21 days while, the retention sums are due upon the expiry of the defect liability period of 12 to 24 months. Other credit terms are assessed and approved on a case-to-case basis.

The trade receivables from the progress billings are creditworthy debtors with mainly good payment records and have obtained and/or in the process of obtaining end financing to fund their purchase of the Group's development properties.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021****24. GROUP BORROWINGS AND DEBT SECURITIES**

The Group's borrowings and debts securities as at 31 March 2021 are analysed as follows :

<u>Secured</u>	<u>Short Term</u> RM'000	<u>Long Term</u> RM'000	<u>TOTAL BORROWINGS</u> RM'000
Term Loan	7,251	32,698	39,949
Hire Purchase	322	581	903
<b>TOTAL</b>	<b>7,573</b>	<b>33,279</b>	<b>40,852</b>

There was no borrowing or debt security denominated in foreign currencies.

**25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There was no financial instrument with off balance sheet risk as at the date of this Quarterly Report.

**26. MATERIAL LITIGATION**

There was no material litigation as at the date of this Quarterly Report.

**27. DIVIDEND**

The Board of Directors does not recommend any dividend for the current financial quarter and year-to-date.

**28. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the comprehensive income attributable to equity holders of the parent for the current financial quarter and year-to-date by the weighted average of ordinary shares in issue during the said quarter and year-to-date.

	<u>Individual Quarter</u>	<u>Cumulative Quarter</u>
Total comprehensive income attributable to equity holders of the parent (RM'000)	1,489	1,489
Weighted average number of ordinary share in issue ('000)	218,478	218,478
Earnings per share (sen)	0.68	0.68

By Order of the Board

Chen Wee Sam (LS 0009709)  
Secretary  
Kuala Lumpur

Date : 31 May 2021