

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**

	----- INDIVIDUAL QUARTER -----		----- CUMULATIVE QUARTER -----	
	Current Year Quarter 30 Sep 2021	Preceding Year Corresponding Quarter 30 Sep 2020	Current Year To-date 30 Sep 2021	Preceding Year Corresponding Period 30 Sep 2020
	RM'000	RM'000	RM'000	RM'000
Revenue	9,646	11,459	39,025	24,943
Operating expenses	(8,943)	(10,286)	(32,828)	(23,678)
Other operating income	15	153	91	201
Profit From Operations	718	1,326	6,288	1,466
Interest income	65	97	321	367
Interest expenses	(265)	(82)	(685)	(275)
Profit Before Tax	518	1,341	5,924	1,558
Taxation	(452)	(583)	(1,900)	(1,721)
Profit / (Loss) For The Period	66	758	4,024	(163)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income / (Loss)	66	758	4,024	(163)
Attributable to:				
Equity holders of the parent	64	758	4,022	(162)
Non-controlling interests	2	*	2	(1)
	66	758	4,024	(163)
Total Comprehensive Income / (Loss) attributable to equity holders of the parent :				
Basic Earnings/(Loss) per share (Sen)	0.03	0.35	1.84	(0.07)

(*) Less than RM1,000

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 30 SEPTEMBER 2021

	As at end of Current Quarter 30 Sep 2021	As at Preceding Year Ended 31 Dec 2020
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,493	1,703
Investment property	17,717	17,891
Land held for property development	163,598	161,909
Deferred tax assets	1,782	1,651
	184,590	183,154
CURRENT ASSETS		
Inventories	47,363	62,058
Property development expenditure	38,090	38,242
Contract assets	17,160	12,113
Trade receivables	31,282	20,872
Other receivables, deposits and prepayments	3,303	2,862
Current tax assets	729	1,133
Cash and cash equivalents	54,599	66,644
	192,526	203,924
TOTAL ASSETS	377,116	387,078
EQUITY AND LIABILITIES		
Equity attributable to equity holders of parent -		
Share capital	218,478	218,478
Retained earnings	79,785	75,761
	298,263	294,239
NON-CONTROLLING INTEREST	493	492
TOTAL EQUITY	298,756	294,731
NON-CURRENT LIABILITIES		
Obligation under finance leases (Long Term)	488	666
Bank borrowings (Long Term)	31,774	32,893
Deferred tax liabilities	9,539	10,077
	41,801	43,636
CURRENT LIABILITIES		
Trade payables	13,531	31,861
Other payables and accruals	7,965	7,930
Obligation under finance leases (Short Term)	239	324
Bank borrowings (Short Term)	14,129	8,478
Current tax liabilities	695	118
	36,559	48,711
TOTAL LIABILITIES	78,360	92,347
TOTAL EQUITY AND LIABILITIES	377,116	387,078
Net assets / share attributable to ordinary equity holders of the parent (RM)	1.37	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.

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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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
Current Quarter						
Balance as at 1 January 2021	218,478	-	-	75,761	492	294,731
Profit after tax	-	-	-	4,024	1	4,025
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	4,024	1	4,025
Transaction with owners :						
Dividend paid	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
Balance as at 30 Sep 2021	218,478	-	-	79,785	493	298,756
Preceding Year's Corresponding Quarter						
Balance as at 1 January 2020	218,478	-	-	74,989	482	293,949
Profit / (Loss) after tax	-	-	-	(162)	-	(162)
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Loss	-	-	-	(162)	-	(162)
Transaction with owners :						
Dividend paid	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
Balance as at 30 Sep 2020	218,478	-	-	74,827	482	293,787

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.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**

	Current Quarter Ended 30 Sep 2021	Preceding Year Quarter 30 Sep 2020
	RM'000	RM'000
PROFIT BEFORE TAX	5,924	1,558
Depreciation on property, plant and equipment	225	335
Amortisation of investment property	174	174
Interest on obligation under finance leases	27	22
Bank borrowings' interest	658	253
Interest income	(321)	(367)
Unrealised gain on foreign exchange	(173)	-
Operating Profit Before Working Capital Changes	6,514	1,975
CHANGES IN WORKING CAPITAL :		
Decrease/(Increase) in inventories	14,695	9,516
Decrease/(Increase) in property development costs	152	(9,888)
Decrease/(Increase) in contract assets/liabilities	(5,047)	(3,538)
Decrease/(Increase) in receivables	(10,851)	12,828
(Decrease)/Increase in payables	(18,295)	(23,925)
Cash Used In Operations	(12,832)	(13,032)
Taxes paid	(1,587)	(2,484)
Net Cash Flows Used In Operating Activities	(14,419)	(15,516)
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(15)	(546)
Addition of land held for property development	(1,689)	(9,722)
Investment in associate	-	(1,999)
Interest income	321	367
Net Cash Flows Used In Investing Activities	(1,383)	(11,900)
FINANCING ACTIVITIES		
Net Drawdown of loans and borrowings	8,214	38,238
Repayment of obligation under finance lease	(263)	(177)
Repayment of bank borrowings	(3,682)	(5,071)
Interest on obligation under finance leases	(27)	(22)
Bank borrowings' interest	(658)	(253)
Advance from / (Repayment to) directors	-	424
Net Cash Flow Generated From Financing Activities	3,584	33,139
NET CHANGE IN CASH AND CASH EQUIVALENTS	(12,218)	5,723
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	66,644	66,391
Effects of exchange rate changes on cash and cash equivalents	173	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	54,599	72,114
Cash and cash equivalents comprise the followings :		
Cash and bank balances	38,748	56,475
Fixed deposits with licensed banks (*)	15,851	15,639
	54,599	72,114

(*) : Included in the fixed deposits with licensed banks are deposits amounting to RM5.926M (2020 : RM5.788M) 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 THIRD QUARTER ENDED 30 SEPTEMBER 2021

1. BASIS OF PREPARATION

The Interim Financial Statements for the third quarter ended 30 September 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, MFRS 9, MFRS 16 and MFRS 139	Interest Rate Benchmark Reform - Phase 2
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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 THIRD QUARTER ENDED 30 SEPTEMBER 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 BEFORE TAX

The following items have been included in arriving at profit before tax :

	----- Individual Quarter -----		----- Cumulative Quarter -----	
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
	RM'000	RM'000	RM'000	RM'000
Depreciation on property, plant and equipment	75	113	225	335
Amortisation of investment property	58	58	174	174
Realised loss on foreign exchange	-	62	-	62
Unrealised gain on foreign exchange	(35)	(12)	(173)	(12)

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 THIRD QUARTER ENDED 30 SEPTEMBER 2021****10. SEGMENTAL INFORMATION**

The analysis of the Group's operations for the current financial year-to-date ended 30 September 2021 are as follows :

	<u>Property Investment & Others</u> RM'000	<u>Property Development</u> RM'000	<u>GROUP</u> RM'000
Segment Revenue - External	553	38,472	39,025
Segment Results	(1,378)	7,666	6,288
Interest Income			321
Interest Expenses			(685)
Profit Before Tax			5,924
Taxation			(1,900)
Profit for the Period			4,024

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

Save and except as disclosed under Note 20 (Taxation) below, 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 30 September 2021.

	Individual Quarter		Changes RM'000
	Current Year Current Quarter 30 Sep 2021 ("Q3FY21") RM'000	Preceding Year Corresponding Quarter 30 Sep 2020 ("Q3FY20") RM'000	
Revenue	9,646	11,459	(1,813)
Operating Profit	852	1,500	(648)
Profit Before Interest and Tax	785	1,423	(638)
Profit Before Tax ("PBT")	518	1,341	(823)
Profit After Tax ("PAT")	66	758	(692)
Profit Attributable to Ordinary Equity Holders of the Parent	64	758	(694)

The Group reported a lower consolidated revenue of RM9.65 million for the current Q3FY21 as compared to RM11.46 million reported in the preceding year's corresponding Q3FY20. The decline in revenue was primarily due to the softening sale of Trifolia during the current Q3FY21 caused by the rising confirmed COVID cases in Klang Valley during the current quarter.

The Group reported a PAT of RM0.07 million in the current Q3FY21 as compared to RM0.76 million reported in the preceding year's corresponding Q3FY20 mainly due to the decrease in revenue as above-mentioned.

	Cumulative Quarter (Year-To-Date)		Changes RM'000
	Current Year Current Year-To-Date 30 Sep 2021 ("YTD2021") RM'000	Preceding Year Corresponding Quarter 30 Sep 2020 ("YTD2020") RM'000	
Revenue	39,025	24,943	14,082
Operating Profit	6,687	1,978	4,709
Profit Before Interest and Tax	6,609	1,833	4,776
Profit Before Tax ("PBT")	5,924	1,558	4,366
Profit/(Loss) After Tax ("PAT/(LAT)")	4,024	(163)	4,187
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	4,022	(162)	4,184

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021****16. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR-TO-DATE (Cont'd)**

Despite the implementation of numerous MCOs in 2021, the Group recorded higher revenue by RM14.0 million or 56.4% to RM39.0 mil from RM24.9 mil in the preceding year. Correspondingly, the Group's profit after tax increased by RM4.2 million mainly due to the strong rebound in sales generated from Project Plumeria and Trifolia in the previous quarters of the current financial year.

Under the new accounting standard MFRS15, the revenues generated from the existing PPAM Scheme Project amounting to RM0.49 million and RM3.02 million for the current Q3FY21 and YTD2021 respectively, could not be recognised until the Project is fully completed and vacant possession ("VP") is made to the Purchasers. VP is targeted in Q1FY22 due to the MCO in FY2021. Had these revenues been recognised, the Group's revenues for the current Q3FY21 and YTD2021 would have been increased by RM10.13 million and RM42.05 million respectively.

17. FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	Current Quarter 30 Sep 2021 ("Q3FY21") RM'000	Immediate Preceding Quarter 30 Jun 2021 ("Q2FY21") RM'000	Changes RM'000
Revenue	9,646	16,725	(7,079)
Operating Profit	852	3,553	(2,701)
Profit Before Interest and Tax	785	3,608	(2,823)
Profit Before Tax ("PBT")	518	3,370	(2,852)
Profit After Tax ("PAT")	66	2,469	(2,403)
Profit Attributable to Ordinary Equity Holders of the Parent	64	2,469	(2,405)

The Group recorded a significant lower revenue by RM7.08 million or 42% to RM9.65 million for the current Q3FY21 as compared to Q2FY21, mainly due to the rising confirmed COVID-19 cases in Klang Valley occurred during the current quarter, that caused weakening market sentiments.

As a result of lower revenue, the Group's PBT for the current Q3FY21 was lower at RM0.52 million as compared to RM3.37 million in the immediate preceding Q2FY21.

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 FMCO, 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 aggressive rollout of vaccination program throughout Malaysia with high vaccination rates among adults currently and the Government's opening of more economic sectors including relaxation on travelling and social activities especially for those fully vaccinated individuals.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021****18. PROSPECTS (Cont'd)**

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 RM66.52 million as at 30 September 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.

20. TAXATION

The taxation charge for the Group are as follows :

	Current Quarter RM'000	Current Year-To-Date RM'000
Income tax expense :-		
Estimated current year tax	(578)	(2,569)
Under provision in prior year	-	-
	<u>(578)</u>	<u>(2,569)</u>
Deferred tax :-		
Reversal of deferred tax liabilities	62	538
Recognition of deferred tax assets	64	131
	<u>126</u>	<u>669</u>
	<u>(452)</u>	<u>(1,900)</u>

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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021****23. TRADE RECEIVABLES**

	----- GROUP -----	
	As At 30 Sep 2021 RM'000	As At 31 Dec 2020 RM'000
Property Development	30,535	19,300
Management Fee	747	1,572
	31,282	20,872

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.

24. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings and debts securities as at 30 September 2021 are analysed as follows :

<u>Secured</u>	<u>Short Term</u> RM'000	<u>Long Term</u> RM'000	<u>TOTAL</u> RM'000
Term Loan - USD	3,279	-	3,279
- RM	1,384	31,774	33,158
Sub-Total (Term Loan)	4,663	31,774	36,437
Bridging Loan - RM	9,466	-	9,466
Total Bank Borrowings	14,129	31,774	45,903
Hire Purchase - RM	239	488	727
TOTAL BORROWINGS	14,368	32,262	46,630

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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**

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.

	Individual Quarter	Cumulative Quarter
Total comprehensive income attributable to equity holders of the parent (RM'000)	64	4,022
Weighted average number of ordinary share in issue ('000)	218,478	218,478
Earnings per share (sen)	0.03	1.84

By Order of the Board

Chen Wee Sam (LS 0009709)
Secretary
Kuala Lumpur

Date : 25 November 2021