

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 2022**

	----- INDIVIDUAL QUARTER -----		----- CUMULATIVE QUARTER -----	
	Current Year Quarter 31 Mar 2022	Preceding Year Corresponding Quarter 31 Mar 2021	Current Year To-date 31 Mar 2022	Preceding Year Corresponding Period 31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
Revenue	13,786	12,653	13,786	12,653
Operating expenses	(11,619)	(10,552)	(11,619)	(10,552)
Other operating income	145	48	145	48
Profit From Operations	2,312	2,149	2,312	2,149
Interest income	48	68	48	68
Interest expenses	(208)	(182)	(208)	(182)
Profit Before Tax	2,152	2,035	2,152	2,035
Taxation	(686)	(547)	(686)	(547)
Profit For The Period	1,466	1,488	1,466	1,488
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,466	1,488	1,466	1,488
Attributable to:				
Equity holders of the parent	1,463	1,489	1,463	1,489
Non-controlling interests	3	(1)	3	(1)
	1,466	1,488	1,466	1,488
Total Comprehensive Income / (Loss) attributable to equity holders of the parent :				
Basic Earnings per share (Sen)	0.67	0.68	0.67	0.68

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the Year Ended 31 Dec 2021 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 2022

	As at end of Current Quarter 31 Mar 2022	As at Preceding Year Ended 31 Dec 2021
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,353	1,419
Investment property	17,601	17,659
Land held for property development	188,599	187,766
Deferred tax assets	2,194	1,905
	209,747	208,749
CURRENT ASSETS		
Inventories	27,887	31,895
Property development expenditure	28,228	32,756
Contract assets	23,086	21,786
Trade receivables	30,865	49,382
Other receivables, deposits and prepayments	5,287	5,153
Current tax assets	758	758
Cash and cash equivalents	57,854	39,448
	173,965	181,178
TOTAL ASSETS	383,712	389,927
EQUITY AND LIABILITIES		
Equity attributable to equity holders of parent -		
Share capital	218,478	218,478
Retained earnings	85,390	83,927
	303,868	302,405
NON-CONTROLLING INTEREST	504	501
TOTAL EQUITY	304,372	302,906
NON-CURRENT LIABILITIES		
Obligation under finance leases (Long Term)	395	441
Bank borrowings (Long Term)	31,508	32,206
Deferred tax liabilities	8,959	9,041
	40,862	41,688
CURRENT LIABILITIES		
Trade payables	16,584	20,411
Other payables and accruals	7,050	7,436
Obligation under finance leases (Short Term)	195	211
Bank borrowings (Short Term)	10,381	13,238
Current tax liabilities	4,268	4,037
	38,478	45,333
TOTAL LIABILITIES	79,340	87,021
TOTAL EQUITY AND LIABILITIES	383,712	389,927
Net assets / share attributable to ordinary equity holders of the parent (RM)	1.39	1.38

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the Year Ended 31 Dec 2021 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 2022**

	Share capital	Retained earnings	Non - controlling interest	TOTAL EQUITY
	RM'000	RM'000	RM'000	RM'000
Current Quarter				
Balance as at 1 January 2022	218,478	83,927	501	302,906
Profit after tax	-	1,463	3	1,466
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	1,463	3	1,466
Transaction with owners :				
Dividend paid	-	-	-	-
Total transactions with owners	-	-	-	-
Balance as at 31 Mar 2022	218,478	85,390	504	304,372
Preceding Year's Corresponding Quarter				
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	-	-	-	-
Balance as at 31 Mar 2021	218,478	77,250	491	296,219

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the Year Ended 31 Dec 2021 and the accompanying notes attached to the Interim Financial Statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

	Current Quarter Ended 31 Mar 2022	Preceding Year Quarter 31 Mar 2021
	RM'000	RM'000
PROFIT BEFORE TAX	2,152	2,035
Depreciation on property, plant and equipment	70	75
Amortisation of investment property	58	58
Loss on disposal of property, plant and equipment	2	-
Interest on obligation under finance leases	6	10
Bank borrowings' interest	201	172
Interest income	(48)	(68)
Gain on foreign exchange	(41)	(132)
Operating Profit Before Working Capital Changes	2,400	2,150
CHANGES IN WORKING CAPITAL :		
Decrease/(Increase) in inventories	4,008	5,057
Decrease/(Increase) in property development costs	4,528	(445)
Decrease/(Increase) in contract assets/liabilities	(1,300)	(1,744)
Decrease/(Increase) in receivables	18,383	(5,492)
(Decrease)/Increase in payables	(4,211)	(3,806)
Cash Generated From / (Used In) Operations	23,808	(4,280)
Taxes paid	(827)	(702)
Net Cash Flows Generated From / (Used In) Operating Activities	22,981	(4,982)
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(7)	(15)
Addition of land held for property development	(833)	(574)
Interest income	48	68
Net Cash Flows Used In Investing Activities	(792)	(521)
FINANCING ACTIVITIES		
Repayment of obligation under finance lease	(62)	(87)
Repayment of bank borrowings	(3,555)	(1,422)
Interest on obligation under finance leases	(6)	(10)
Bank borrowings' interest	(201)	(172)
Net Cash Flows Used In Financing Activities	(3,824)	(1,691)
NET CHANGE IN CASH AND CASH EQUIVALENTS	18,365	(7,194)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	39,448	66,644
Effects of exchange rate changes on cash and cash equivalents	41	132
CASH AND CASH EQUIVALENTS AT END OF PERIOD	57,854	59,582
Cash and cash equivalents comprise the followings :		
Cash and bank balances	41,890	43,860
Fixed deposits with licensed banks (*)	15,964	15,722
	57,854	59,582

(*) : Included in the fixed deposits with licensed banks are deposits amounting to RM5.982M (2021 : RM5.940M) 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 2021 and the accompanying notes attached to the Interim Financial Statements)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

1. BASIS OF PREPARATION

The Interim Financial Statements for the first quarter ended 31 March 2022 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 2021.

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 2021.

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 2021.

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 108	Definition of Accounting Estimates
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 2022****3. AUDITORS' REPORT ON PRECEDING AUDITED FINANCIAL STATEMENTS**

The auditors' report on the Audited Financial Statements for the year ended 31 December 2021 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 ---	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
Depreciation on property, plant and equipment	70	75	70	75
Amortisation of investment property	58	58	58	58
Loss on disposal of property, plant and equipment	2	-	2	-
(Gain)/loss on foreign exchange	(42)	(132)	(42)	(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 2022****10. SEGMENTAL INFORMATION**

The analysis of the Group's operations for the current financial year-to-date ended 31 March 2022 are as follows :

	<u>Property Investment & Others</u> RM'000	<u>Property Development</u> RM'000	<u>GROUP</u> RM'000
Segment Revenue - Externa	184	13,602	13,786
Segment Results	(640)	2,952	2,312
Interest Income			48
Interest Expenses			(208)
Profit Before Tax			2,152
Taxation			(686)
Profit for the Period			1,466

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 2021.

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 FIRST QUARTER ENDED 31 MARCH 2022****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 2022.

	Individual Quarter and Cumulative Quarter (Year-To-Date)		Changes RM'000
	Current Year Current Quarter and Year-To-Date 31 Mar 2022 ("Q1FY22") and YTD2022") RM'000	Preceding Year Corresponding Quarter and Year-To-Date 31 Mar 2021 ("Q1FY21") and YTD2021") RM'000	
Revenue	13,786	12,653	1,133
Operating Profit	2,442	2,281	161
Profit Before Interest and Tax	2,360	2,217	143
Profit Before Tax ("PBT")	2,152	2,035	117
Profit After Tax ("PAT")	1,466	1,488	(22)
Profit Attributable to Ordinary Equity Holders of the Parent	1,463	1,489	(26)

The Group recorded a revenue of RM13.79 million for the current Q1FY22, representing an increase by 9% or RM1.13 million in comparison to RM12.65 million in the preceding year's corresponding Q1FY21. The improvement in the Group's revenue was mainly contributed by the sales generated from Project Trifolia and Project SutraVilla due to the attractive sale package offered.

Despite a higher revenue achieved, the Group posted a PAT of RM1.47 million in the current Q1FY22, which was 1.70% or RM0.02 million lower as compared to RM1.49 million reported in the preceding year's corresponding Q1FY21. The lower PAT is mainly due to the slightly lower Gross Profit ("GP") Margin and higher effective tax rate in the current Q1FY22.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2022****17. FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER**

	Current Quarter 31 Mar 2022 ("Q1FY22") RM'000	Immediate Preceding Quarter 31 Dec 2021 ("Q4FY21") RM'000	Changes RM'000
Revenue	13,786	36,394	(22,608)
Operating Profit	2,442	9,211	(6,769)
Profit Before Interest and Tax	2,360	9,179	(6,819)
Profit Before Tax ("PBT")	2,152	8,912	(6,760)
Profit After Tax ("PAT")	1,466	4,150	(2,684)
Profit Attributable to Ordinary Equity Holders of the Parent	1,463	4,142	(2,679)

The Group's sales performance in the current Q1FY22 was unable to persist with the strong momentum of the immediate preceding Q4FY21. The current Q1FY22 revenue was RM22.61 mil or 62% lower as compared to immediate preceding Q4FY21. The non-extension of the Home Ownership Campaign that expired on 31 December 2021, had substantially induced the front-loading sales into Nov 21 and Dec 21. Hence, the sales in the preceding quarter was greatly boosted. In view of the above, the Group observed that the sales has normalised in the current Q1FY22, and resulted the contraction in revenue as compared to immediate preceding Q4FY21.

The Group's PAT for the current Q1FY22 was also lower at RM1.46 million as compared to RM4.15 million in the immediate preceding Q4FY21 mainly due to the lower revenue as above-mentioned.

18. PROSPECTS

Moving into 2022, the move from a "pandemic" to "endemic" classification of the crisis means the government is adopting sustainable long-term policies in dealing with COVID-19. We foresee a gradual recovery in property transaction volumes, especially in the residential segments with the re-opening of international borders on 1 April 2022 and the resumption of international trade. The prevailing low-interest rate is also one of the main catalysts for property purchases. Nevertheless, the rising inflationary pressures remain a looming issue that may influence the purchaser's buying appetite.

The Group shall remain focusing in leveraging on our on-going projects and continue to monetising the existing inventories to further enhance the financial position of the Group. In respect of new project launches, the Group will remain prudent by closely tracking market sentiments prior to launching suitable projects to meet real demand and affordability levels.

The Group's unbilled sales stood at RM40.86 million as at 31 March 2022, which is expected to continue to contribute positively to the Group's earnings in the near future.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2022****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 and Current Year-To-Date
	RM'000
Income tax expense :-	
Estimated current year tax	(1,058)
Under provision in prior year	-
	(1,058)
Deferred tax :-	
Reversal of deferred tax liabilities	83
Recognition of deferred tax assets	289
	372
	(686)

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 FIRST QUARTER ENDED 31 MARCH 2022****23. TRADE RECEIVABLES**

	GROUP	
	As At 31 Mar 2022 RM'000	As At 31 Dec 2021 RM'000
Property Development	30,865	49,382

Trade receivables comprise receivables from property development.

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 31 March 2022 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	3,369	-	3,369
- RM	2,494	31,508	34,002
Sub-Total (Term Loan)	5,863	31,508	37,371
Bridging Loan - RM	4,518	-	4,518
Total Bank Borrowings	10,381	31,508	41,889
Hire Purchase - RM	195	395	590
TOTAL BORROWINGS	10,576	31,903	42,479

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.

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

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

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)	1,463	1,463
Weighted average number of ordinary share in issue ('000)	218,478	218,478
Earnings per share (sen)	0.67	0.67

By Order of the Board

Chen Wee Sam (LS 0009709)
Secretary
Kuala Lumpur

Date : 31 May 2022