

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

	----- INDIVIDUAL QUARTER -----		----- CUMULATIVE QUARTER -----	
	Current Year Quarter 30 Jun 2022	Preceding Year Corresponding Quarter 30 Jun 2021	Current Year To-date 30 Jun 2022	Preceding Year Corresponding Period 30 Jun 2021
	RM'000	RM'000	RM'000	RM'000
Revenue	28,845	16,725	42,631	29,379
Operating expenses	(19,951)	(13,333)	(31,570)	(23,885)
Other operating income	67	28	212	76
Profit From Operations	8,961	3,420	11,273	5,570
Interest income	64	188	112	256
Interest expenses	(168)	(238)	(376)	(420)
Profit Before Tax	8,857	3,370	11,009	5,406
Taxation	(2,046)	(901)	(2,732)	(1,448)
Profit For The Period	6,811	2,469	8,277	3,958
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	6,811	2,469	8,277	3,958
Attributable to:				
Equity holders of the parent	6,810	2,469	8,273	3,958
Non-controlling interests	1	*	4	*
	6,811	2,469	8,277	3,958
Total Comprehensive Income / (Loss) attributable to equity holders of the parent :				
Basic Earnings per share (Sen)	3.12	1.13	3.79	1.81

(*) 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 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 30 JUNE 2022

	As at end of Current Quarter 30 Jun 2022	As at Preceding Year Ended 31 Dec 2021
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,329	1,419
Investment property	17,543	17,659
Land held for property development	189,714	187,766
Deferred tax assets	2,205	1,905
	210,791	208,749
CURRENT ASSETS		
Inventories	21,111	31,895
Property development expenditure	18,122	32,756
Contract assets	29,705	21,786
Trade receivables	30,828	49,382
Other receivables, deposits and prepayments	18,639	5,153
Current tax assets	758	758
Cash and cash equivalents	53,988	39,448
	173,151	181,178
TOTAL ASSETS	383,942	389,927
EQUITY AND LIABILITIES		
Equity attributable to equity holders of parent -		
Share capital	218,478	218,478
Retained earnings	92,200	83,927
	310,678	302,405
NON-CONTROLLING INTEREST	505	501
TOTAL EQUITY	311,183	302,906
NON-CURRENT LIABILITIES		
Obligation under finance leases (Long Term)	353	441
Bank borrowings (Long Term)	30,838	32,206
Deferred tax liabilities	8,665	9,041
	39,856	41,688
CURRENT LIABILITIES		
Trade payables	13,851	20,411
Other payables and accruals	4,761	7,436
Obligation under finance leases (Short Term)	191	211
Bank borrowings (Short Term)	7,946	13,238
Current tax liabilities	6,154	4,037
	32,903	45,333
TOTAL LIABILITIES	72,759	87,021
TOTAL EQUITY AND LIABILITIES	383,942	389,927
Net assets / share attributable to ordinary equity holders of the parent (RM)	1.42	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 SECOND QUARTER ENDED 30 JUNE 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	-	8,273	4	8,277
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	8,273	4	8,277
Transaction with owners :				
Dividend paid	-	-	-	-
Total transactions with owners	-	-	-	-
Balance as at 30 Jun 2022	218,478	92,200	505	311,183
Preceding Year's Corresponding Quarter				
Balance as at 1 January 2021	218,478	75,761	492	294,731
Profit / (Loss) after tax	-	3,958	(1)	3,957
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	3,958	(1)	3,957
Transaction with owners :				
Dividend paid	-	-	-	-
Total transactions with owners	-	-	-	-
Balance as at 30 Jun 2021	218,478	79,719	491	298,688

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.

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

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

	Current Quarter Ended 30 Jun 2022	Preceding Year Quarter 30 Jun 2021
	RM'000	RM'000
PROFIT BEFORE TAX	11,009	5,406
Depreciation on property, plant and equipment	140	149
Amortisation of investment property	116	116
Loss on disposal of property, plant and equipment	2	-
Interest on obligation under finance leases	6	19
Bank borrowings' interest	201	401
Interest income	(64)	(255)
Gain on foreign exchange	(193)	(138)
Operating Profit Before Working Capital Changes	11,217	5,698
CHANGES IN WORKING CAPITAL :		
Decrease/(Increase) in inventories	10,784	9,740
Decrease/(Increase) in property development costs	14,634	(396)
Decrease/(Increase) in contract assets/liabilities	(7,919)	(9,549)
Decrease/(Increase) in receivables	5,068	(2,219)
(Decrease)/Increase in payables	(9,234)	(9,266)
Cash Generated From / (Used In) Operations	24,550	(5,992)
Taxes paid	(1,291)	(931)
Net Cash Flows Generated From / (Used In) Operating Activities	23,259	(6,923)
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(53)	(15)
Addition of land held for property development	(1,948)	(1,156)
Interest income	64	255
Net Cash Flows Used In Investing Activities	(1,937)	(916)
FINANCING ACTIVITIES		
Net Drawdown of loans and borrowings	-	8,214
Repayment of obligation under finance lease	(108)	(174)
Repayment of bank borrowings	(6,660)	(2,646)
Interest on obligation under finance leases	(6)	(19)
Bank borrowings' interest	(201)	(401)
Net Cash Flow (Used In) / Generated From Financing Activities	(6,975)	4,974
NET CHANGE IN CASH AND CASH EQUIVALENTS	14,347	(2,865)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	39,448	66,644
Effects of exchange rate changes on cash and cash equivalents	193	138
CASH AND CASH EQUIVALENTS AT END OF PERIOD	53,988	63,917
Cash and cash equivalents comprise the followings :		
Cash and bank balances	37,775	48,145
Fixed deposits with licensed banks (*)	16,213	15,772
	53,988	63,917

(*) : Included in the fixed deposits with licensed banks are deposits amounting to RM6.188M (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 SECOND QUARTER ENDED 30 JUNE 2022

1. BASIS OF PREPARATION

Current

The Interim Financial Statements for the second quarter ended 30 June 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, 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 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 SECOND QUARTER ENDED 30 JUNE 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 ----	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	RM'000	RM'000	RM'000	RM'000
Depreciation on property, plant and equipment	70	75	140	150
Amortisation of investment property	58	58	116	116
Loss on disposal of property, plant and equipment	-	-	2	-
(Gain)/loss on foreign exchange	(193)	(6)	(235)	(138)

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 SECOND QUARTER ENDED 30 JUNE 2022****10. SEGMENTAL INFORMATION**

The analysis of the Group's operations for the current financial year-to-date ended 30 June 2022 are as follows :

	<u>Property Investment & Others</u> RM'000	<u>Property Development</u> RM'000	<u>GROUP</u> RM'000
Segment Revenue - External	369	42,262	42,631
Segment Results	(340)	11,612	11,272
Interest Income			113
Interest Expenses			(376)
Profit Before Tax			11,009
Taxation			(2,732)
Profit for the Period			8,277

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 SECOND QUARTER ENDED 30 JUNE 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 30 June 2022.

	Individual Quarter		Changes RM'000
	Current Year Current Quarter 30 Jun 2022 ("Q2FY22") RM'000	Preceding Year Corresponding Quarter 30 Jun 2021 ("Q2FY21") RM'000	
Revenue	28,845	16,725	12,120
Operating Profit	9,090	3,553	5,537
Profit Before Interest and Tax	9,025	3,608	5,417
Profit Before Tax ("PBT"/"LBT")	8,857	3,370	5,487
Profit After Tax ("PAT"/"LAT")	6,811	2,469	4,342
Profit Attributable to Ordinary Equity Holders of the Parent	6,810	2,469	4,341

The Group recorded a much higher revenue of RM28.85 million for the current Q2FY22, representing an increase by 72.5% or RM12.12 million in comparison to RM16.73 million in the preceding year's corresponding Q2FY21. The improvement in the Group's revenue was mainly anchored by the sale contribution from Project Trifolia and Project SutraVilla due to the implementation of a much efficient sale strategy.

The Group posted a higher PAT of RM6.81 million in the current Q2FY22, which was 176% or RM4.34 million higher as compared to RM2.47 million reported in the preceding year's corresponding Q2FY21. The higher PAT is mainly due to the surge in revenue.

	Cumulative Quarter (Year-To-Date)		Changes RM'000
	Current Year Current Year-To-Date 30 Jun 2022 ("YTD2022") RM'000	Preceding Year Corresponding Year-To-Date 30 Jun 2021 ("YTD2021") RM'000	
Revenue	42,631	29,379	13,252
Operating Profit	11,531	5,836	5,695
Profit Before Interest and Tax	11,385	5,826	5,559
Profit Before Tax ("PBT")	11,009	5,406	5,603
Profit After Tax ("PAT"/"LAT")	8,277	3,958	4,319
Profit Attributable to Ordinary Equity Holders of the Parent	8,273	3,958	4,315

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2022****16. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR-TO-DATE (Cont'd)**

The Group achieved a 109% increase in PAT at RM8.28 mil in YTD 2022 as compare to the YTD2021, on the back of the significant improved revenue, mainly due to the reason as above-mentioned.

Under the new accounting standard MFRS15, the revenues generated from the existing PPAM Scheme Project are amounting to RM0.32 million and RM0.76 million for the current Q2FY22 and YTD2022 respectively, could not be recognised until the Project complete and hand-over to the Purchasers (which is expected in the end of Year 2022). Had these revenues been recognised, the Group's revenues for the current Q2FY22 and YTD2022 would have been added by RM29.17 million and RM43.39 million respectively.

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

	Current Quarter 30 Jun 2022 ("Q2FY22") RM'000	Immediate Preceding Quarter 31 Mar 2022 ("Q1FY22") RM'000	Changes RM'000
Revenue	28,845	13,786	15,059
Operating Profit	9,090	2,442	6,648
Profit Before Interest and Tax	9,025	2,360	6,665
Profit Before Tax ("PBT")	8,857	2,152	6,705
Profit After Tax ("PAT")	6,811	1,466	5,345
Profit Attributable to Ordinary Equity Holders of the Parent	6,810	1,463	5,347

The Group's revenue for the current Q2FY22 increased significantly to RM28.85 million, from RM13.79 million recorded in the immediate preceding Q1FY22 mainly due to the above-mentioned reason.

The Group's PBT for the current Q2FY22 has also increased significantly to RM8.86 million, from RM2.15 million in the immediate preceding Q1FY22, mainly due to the much higher revenue as above-mentioned.

18. PROSPECTS

In 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. Nevertheless, the rising inflationary pressures remain a looming issue that may influence the purchaser's buying appetite.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2022****18. PROSPECTS (Cont'd)**

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 RM47.08 million as at 30 June 2022, 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	(2,350)	(3,408)
	<u>(2,350)</u>	<u>(3,408)</u>
Deferred tax :-		
Reversal of deferred tax liabilities	293	376
Recognition of deferred tax assets	11	300
	<u>304</u>	<u>676</u>
	<u>(2,046)</u>	<u>(2,732)</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 SECOND QUARTER ENDED 30 JUNE 2022****23. TRADE RECEIVABLES**

	----- GROUP -----	
	As At 30 Jun 2022 RM'000	As At 31 Dec 2021 RM'000
Property Development	30,828	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 30 June 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	3,570	-	3,570
- RM	2,934	30,838	33,772
Sub-Total (Term Loan)	6,504	30,838	37,342
Bridging Loan - RM	1,442	-	1,442
Total Bank Borrowings	7,946	30,838	38,784
Hire Purchase - RM	191	353	544
TOTAL BORROWINGS	8,137	31,191	39,328

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 SECOND QUARTER ENDED 30 JUNE 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)	6,810	8,273
Weighted average number of ordinary share in issue ('000)	218,478	218,478
Earnings per share (sen)	3.12	3.79

By Order of the Board

Chen Wee Sam (LS 0009709)
Secretary
Kuala Lumpur

Date : 30 August 2022