

**YONG TAI BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2018**

**3 MONTHS ENDED**

	<b>30.09.2018</b> <b>(RM'000)</b>	<b>30.09.2017</b> <b>(RM'000)</b>
Revenue	29,148	26,531
Cost of sales	<u>(17,195)</u>	<u>(17,940)</u>
Gross profit	11,953	8,591
Other income	528	82
Other expenses	<u>(14,341)</u>	<u>(4,553)</u>
Operating profit	(1,860)	4,120
Finance costs	<u>(2,177)</u>	<u>(111)</u>
<b>(Loss) /profit before tax</b>	<u>(4,037)</u>	<u>4,009</u>
Taxation	<u>(1,187)</u>	<u>(1,312)</u>
<b>(Loss) /profit for the period</b>	<u>(5,224)</u>	<u>2,697</u>
Other comprehensive income, net of tax	-	-
<b>Total comprehensive (expenses)/ income for the period</b>	<u><u>(5,224)</u></u>	<u><u>2,697</u></u>
<b>Net (loss)/profit attributable to:</b>		
Equity holders of the Company	(5,224)	2,697
Non-controlling interest	<u>-</u>	<u>-</u>
	<u><u>(5,224)</u></u>	<u><u>2,697</u></u>
<b>Total comprehensive (expenses)/income attributable to:</b>		
Equity holders of the Company	(5,224)	2,697
Non-controlling interest	<u>-</u>	<u>-</u>
	<u><u>(5,224)</u></u>	<u><u>2,697</u></u>
<b>Earnings/(Loss) per share attributable to equity holders of the Company (sen)</b>		
- Basic	<u>(1.08)</u>	<u>0.62</u>
- Diluted	<u>(0.73)</u>	<u>0.53</u>

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018)

**YONG TAI BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2018**

	(Unaudited) As at 30.09.2018 RM'000	(Audited) As at 30.06.2018 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	456,836	414,878
Intangible assets	168,599	161,190
	625,435	576,068
<b>Current Assets</b>		
Inventories	151,532	146,227
Contract assets	36,884	164,407
Trade receivables	109,651	31,487
Other receivables	117,321	121,046
Current tax assets	2,720	1,462
Cash and bank balances	4,628	7,175
	422,736	471,804
<b>TOTAL ASSETS</b>	1,048,171	1,047,872
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<b>Share Capital</b>		
Ordinary shares	358,021	356,167
Irredeemable convertible preference shares	172,827	172,827
<b>Reserves</b>		
Warrant reserve	5,053	5,492
Retained earnings	16,147	21,371
<b>Total Equity</b>	552,048	555,857
<b>Non-current Liabilities</b>		
Loans and borrowings	175,114	192,575
Deferred tax liabilities	2,880	2,880
	177,994	195,455
<b>Current Liabilities</b>		
Contract liabilities	27,781	20,376
Trade payables	86,283	115,300
Other payables	120,781	96,538
Amount due to director	244	244
Bank overdrafts	36,816	26,795
Loans and borrowings	43,709	32,209
Current tax liabilities	2,515	5,098
	318,129	296,560
<b>Total Liabilities</b>	496,123	492,015
<b>TOTAL EQUITY AND LIABILITIES</b>	1,048,171	1,047,872
<b>Net Assets per share (RM)</b>	1.14	1.15

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018)

**YONG TAI BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2018**

	<b>3 months ended 30.09.2018 (RM'000)</b>	<b>3 months ended 30.09.2017 (RM'000)</b>
<b>Cash flows from operating activities</b>		
(Loss)/profit before taxation	(4,037)	4,009
Adjustments for:-		
Non-cash items	3,319	55
Non-operating items	2,165	92
<b>Operating profit before changes in working capital</b>	<u>1,447</u>	<u>4,156</u>
Changes in working capital		
Inventories	(5,305)	817
Contract assets	127,523	(14,624)
Receivables	(74,439)	6,100
Contract liabilities	7,405	2,220
Payables	(32,016)	(24,536)
<b>Cash generated from /(used in) operations</b>	<u>24,615</u>	<u>(25,867)</u>
Finance costs	(2,177)	(111)
Interest income	12	19
Net Tax paid	(5,029)	(349)
<b>Net cash generated from/(used in) operating activities</b>	<u>17,421</u>	<u>(26,308)</u>
<b>Cash flows from investing activities</b>		
Acquisition of intangible assets	(5,515)	(354)
Acquisition of property, plant and equipment	(19,928)	(16,128)
<b>Net cash used in investing activities</b>	<u>(25,443)</u>	<u>(16,482)</u>
<b>Cash flows from financing activities</b>		
Net proceeds from exercise of warrants	1,415	-
Drawdown of loans and borrowings	1,345	-
Repayment of loans and borrowings	(7,306)	-
<b>Net cash used in financing activities</b>	<u>(4,546)</u>	<u>-</u>
<b>Net decrease in cash &amp; cash equivalents</b>	(12,568)	(42,790)
<b>Cash and cash equivalents at beginning of period</b>	<u>(19,620)</u>	<u>69,187</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>(32,188)</u></u>	<u><u>26,397</u></u>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	4,628	14,149
Bank overdrafts	(36,816)	(7,752)
Fixed deposits	-	20,000
	<u>(32,188)</u>	<u>26,397</u>

(The unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018)



## **PART A - NOTES TO THE INTERIM FINANCIAL REPORT**

### **A1. Basis of Preparation**

The interim financial report has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad(" Bursa Malaysia").

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2018.

### **A2. Accounting Policies**

The accounting policies and methods of computation applied in the unaudited condensed interim financial report are consistent with those adopted as disclosed in the audited financial statements of the Group for the financial year ended 30 June 2018.

The Group has adopted the new and revised Malaysian Financial Reporting Standards ("MFRSs") and IC Interpretations that became mandatory for the current reporting period, except for *MFRS 9 Financial Instruments*. The Group is currently performing a detailed analysis under *MFRS 9* to quantify the transition adjustment on its interim financial report.

The adoption of the other new and revised MFRSs and IC Interpretations does not result in significant changes in the accounting policies of the Group.

### **A3. Auditors' Report on Preceding Annual Financial Statements**

The preceding audited financial statements for the financial year ended 30 June 2018 were unqualified.

### **A4. Seasonal or Cyclical Factors**

The Group's operations were not significantly affected by any seasonal or cyclical factors.

### **A5. Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items for the financial period ended 30 September 2018.

### **A6. Changes in Estimates**

There were no material changes in estimates for the financial period ended 30 September 2018.

**A7. Debts and Equity Securities**

There were no issuance and repayment of the debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period to-date except for the issuance of 2,830,000 new ordinary shares pursuant to the exercise of warrants at the exercise price of RM0.50 per share.

**A8. Dividends Paid**

There was no payment of dividend during the financial period ended 30 September 2018.

**A9. Changes in Composition of the Group**

There were no changes in the composition of the Group during the current financial period under review.

**A10. Contingent Liabilities**

There were no contingent liabilities in respect of the Group since the last financial year.

**A11. Commitments**

	<b>As at 30.9.2018 RM'000</b>
Approved and contracted for:	
Commitment for acquisition of a subsidiary (see note B5)	27,000
Commitment for construction of property, plant and equipment	68,075
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**A12. Significant Related Party Transactions**

There were no significant related party transactions in the current quarter.

### A13. Segment Reporting

The segmental analysis for the financial period ended 30 September 2018 is as follows:

	Property development RM'000	Property investment RM'000	Others RM'000	Elimination RM'000	Total RM'000
External sales	24,665	4,483	-	-	29,148
Inter-segment	-	-	3,000	(3,000)	-
<b>Total</b>	<b>24,665</b>	<b>4,483</b>	<b>3,000</b>	<b>(3,000)</b>	<b>29,148</b>
Gross profit	7,493	4,460	3,000	(3,000)	11,953
Other income	510	16	2	-	528
Other expenses	(3,172)	(10,265)	(3,904)	3,000	(14,341)
Operating profit/(loss)	4,831	(5,789)	(902)	-	(1,860)
Finance costs					(2,177)
Loss before tax					(4,037)
Taxation					(1,187)
Loss for the year					(5,224)
<b>Other information</b>					
Segment assets	412,732	604,806	27,913	-	1,045,451
Unallocated corporate assets					2,720
<b>Total consolidated corporate assets</b>					<b>1,048,171</b>
Segment liabilities	166,430	297,572	32,242	-	496,244
Unallocated corporate liabilities					(121)
<b>Total consolidated corporate liabilities</b>					<b>496,123</b>

### A14. Material Events subsequent to the End of Financial Period

There were no material events after 30 September 2018 till 22 November 2018 (the latest practicable date (“LPD”) which is not earlier than 7 days from the date of issue of this interim financial report), except as disclosed below in Note B5.

**PART B -ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of Group Performance**

Revenue and profit before tax (“PBT”) of the respective operating business segments for the current quarter are analysed as follows:

	<b>3 MONTHS ENDED</b>		
	<b>30.09.18 RM'000</b>	<b>30.09.17 RM'000</b>	<b>Changes RM'000</b>
<b>Revenue</b>			
- Property Development	24,665	26,531	(1,866)
- Property Investment	4,483	-	4,483
	<b>29,148</b>	<b>26,531</b>	<b>2,617</b>
<b>Profit/(Loss) Before Tax</b>			
- Property Development	3,428	4,489	(1,061)
- Property Investment	(7,465)	(480)	6,985
	<b>(4,037)</b>	<b>4,009</b>	<b>(8,046)</b>

**(a) Property Development**

The Group recorded revenue of RM24.67 million and PBT of RM3.43 million for the current quarter ended 30 September 2018 as compared to revenue of RM26.53 million and PBT of RM4.49 million in the preceding year quarter.

The decrease in revenue and PBT in 1Q 2019 as compared to 1Q 2018 from the property development segment was mainly due to slower work progress for Terra Square. Furthermore, the property market remains soft post general election as the property buyers are cautious and pending on new government’s policies.

For the current quarter under review, the on-going development projects which contribute to the Group’s financial results are namely The Apple, Amber Cove, The Dawn and Impression U-Thant.

**(b) Property Investment**

The Encore Melaka theatre has officially opened to the public since 1 July 2018. The revenue recorded for the current quarter of RM4.48 million was mainly contributed by the ticket sales.

For the current quarter under review, the Group incurred loss before tax of RM7.47 million from the property investment segment mainly due to lower than expected ticket sales resulting from the drop in tourist arrivals in Malaysia, in particular the Chinese market, coupled with depreciation and interest charges which is no longer capitalised post commencement of theatre operation.



**B2. Material Changes in the Quarterly Results compared to the results of the preceding Quarter**

The Group's current quarter loss before tax is RM4.04 million as compared to RM8.59 million profit before tax reported in the preceding quarter ended 30 June 2018. The overall lower performance in the current quarter was mainly due to lower contribution from Terra Square and the loss from the theatre operation.

**B3. Prospects for the Current Financial Year ("FY 2019")**

The Group is expecting that ticket sales for Encore Melaka will grow when market sentiment recovers in the near future. The projected growth is also premised on year-end festive seasons and school holidays which are just around the corner.

The Group will also stay focused on developing its ongoing development projects, namely The Apple, Terra Square, Amber Cove, The Dawn and Impression U-Thant. All these projects will begin contributing to the Group's financial results in FY 2019 as and when they move into an advanced stage of development.

Going forward, the Board is confident that the Group will perform well and achieve a steady revenue growth in FY 2019 as and when the Encore Melaka theatre grows in stature and other development projects begin to mature.

**B4. Variance of Actual Profit from Forecast Profit**

Not applicable as no profit forecast was published.

**B5. Status of Corporate Proposals**

The followings are the corporate proposals that have been announced by the Company and which were not completed as at 22 November 2018, (the latest practicable date ("LPD") which is not earlier than 7 days from the date of issue of this interim financial report):-

On 21 March 2017, the Company entered into a conditional sale and purchase agreement ("SPA") with Mustazah bin Osman and Laila binti Endut ("Vendors") to acquire the entire issued shares of Laila Development Sdn Bhd ("LDSB") for a cash consideration of RM35 million. As at the LPD, the Company had paid part payment of RM8,000,000 to LDSB's Vendors for the acquisition of LDSB's shares.

LDSB is the registered and beneficial owner of two pieces of vacant leasehold commercial lands held under Pajakan Negeri 56445, Lot 12939 Kawasan Bandar VI, Daerah Melaka Tengah, State of Melaka measuring approximately 6 acres and Pajakan Negeri 56446, Lot 12940, Kawasan Bandar VI, Daerah Melaka Tengah, State of Melaka measuring approximately 6 acres.

On the same date, YTB Impression Sdn Bhd ("YTB Impression"), a wholly-owned subsidiary of the Company entered into a conditional joint development agreement ("JDA") with JM Bestari Land Sdn Bhd ("JMBL / Landowner") for the development of approximately 9 acres of land held under H. S. (D) 81952 for PT 2326, Kawasan Bandar VI, District of Melaka Tengah, State of Melaka.

The three parcels of land as mentioned above are strategically located in the Impression City, next to the Encore Melaka theatre.

Barring any unforeseen circumstances, the proposed acquisition of LDSB is expected to be completed by end 2018. As for the conditional JDA with JMBL, YTB Impression and JMBL had entered into a side letter to extend the cut-off date until 21 March 2019 to complete the JDA.

#### **B6. Material Litigation**

The Group was not engaged in any material litigation as at 22 November 2018 (the latest practicable date (“LPD”) which is not earlier than 7 days from the date of issue of this interim financial report).

#### **B7. Dividends Declared**

No interim dividend has been declared or paid in respect of the financial period ended 30 September 2018.

#### **B8. Taxation**

	<b>3 Months Ended</b>	
	<b>30.09.2018</b>	<b>30.09.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax		
- current quarter / period	1,187	1,312
Tax expenses for the period	1,187	1,312

The Group’s effective tax rate for 1Q 2019 and 1Q YTD 2019 is higher than the statutory tax rate mainly due to the unrecognized deferred tax assets.

#### **B9. Group Borrowings**

	<b>As at</b>
	<b>30.09.2018</b>
	<b>(RM'000)</b>
<u>Current</u>	
Bank overdraft (unsecured)	36,816
Term loans (secured)	43,161
Finance lease (secured)	548
	80,525
<u>Non-Current</u>	
Term loans (secured)	173,444
Finance lease (secured)	1,670
Total	175,114

All borrowings were denominated in Ringgit Malaysia as at the reporting date.

## B10. Notes to the Statement of Comprehensive Income

	<b>3 Months Ended</b>	<b>3 Months Ended</b>
	<b>30.09.2018</b>	<b>30.09.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Notes to the Statement of Comprehensive Income comprises:-		
Interest income	12	19
Interest expenses	(2,177)	(111)
Depreciation of property, plant, equipment	(1,617)	(54)
Amortisation of intangible assets	(1,701)	-

Other than the above, the items listed under Appendix 9B Note 16 of the listing Requirement of Bursa Malaysia Securities Berhad are not applicable.

## B11. Earnings / (Loss) Per Share

### a. Basic

Earnings/(loss) per share has been calculated by dividing the Group's profit/(loss) for the current quarter and financial period to-date attributable to equity holders of the Company by the weighted average number of shares in issue during the financial period.

	<b>3 Months Ended</b>	
	<b>30 09.2018</b>	<b>30 09.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Net (loss)/profit attributable to equity holders of the Company</b>	<u>(5,224)</u>	<u>2,697</u>
Weighted average number of ordinary shares in issue ('000)	<u>485,587</u>	<u>435,686</u>
<b>Basic earnings/(loss) per share attributable to equity holders of the Company (Sen)</b>	<u>(1.08)</u>	<u>0.62</u>

### b. Diluted

Diluted earnings per share has been calculated by dividing the Group's profit/(loss) attributable to equity holders of the Company by the weighted average number of shares that would have been in issue upon full exercise of the Warrants and conversion of irredeemable convertible preference shares ("ICPS"), adjusted for the number of such shares that would have been issued at fair value. However, in the event that the potential exercise of the Warrants gives rise to an anti-dilutive effect on earnings per share, the potential exercise of the Warrants is not taken into account in calculating diluted earnings per share.

	<b>3 Months Ended</b>	
	<b>30.09.2018</b>	<b>30.09.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Net (loss)/profit attributable to equity holders of the Company</b>	<u>(5,224)</u>	<u>2,697</u>
Weighted average number of ordinary shares in issue ('000)	485,587	435,686
Effect of potential exercise of Warrants ('000)	17,772	25,935
Effect of conversion of ICPS ('000)	<u>216,034</u>	<u>42,918</u>
Adjusted weighted average number of ordinary shares ('000)	<u>719,393</u>	<u>504,539</u>
<b>Diluted earnings/(loss) per share attributable to equity holders of the Company (Sen)</b>	<u>(0.73)</u>	<u>0.53</u>

By Order of the Board,

Datuk Wira Boo Kuang Loon  
 Executive Director / Chief Executive Officer  
 Date: 29 November 2018