

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	3 MONTHS ENDED		12 MONTHS ENDED	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	9,979	28,266	100,396	130,093
Cost of sales	<u>(22,771)</u>	<u>(20,161)</u>	<u>(86,198)</u>	<u>(88,397)</u>
Gross (loss)/profit	(12,792)	8,105	14,198	41,696
Other income	412	115	1,405	411
Other expenses	<u>(63,111)</u>	<u>930</u>	<u>(99,447)</u>	<u>(17,836)</u>
Operating (loss)/ profit	(75,491)	9,150	(83,844)	24,271
Finance costs	<u>(2,069)</u>	<u>(402)</u>	<u>(8,631)</u>	<u>(779)</u>
(Loss)/Profit before tax	<u>(77,560)</u>	<u>8,748</u>	<u>(92,475)</u>	<u>23,492</u>
Taxation	<u>14,695</u>	<u>(3,296)</u>	<u>13,216</u>	<u>(7,982)</u>
(Loss)/Profit for the period	<u>(62,865)</u>	<u>5,452</u>	<u>(79,259)</u>	<u>15,510</u>
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (expense)/income for the period	<u><u>(62,865)</u></u>	<u><u>5,452</u></u>	<u><u>(79,259)</u></u>	<u><u>15,510</u></u>
Net (Loss)/ Profit attributable to :				
Equity holders of the Company	(62,865)	5,452	(79,259)	15,510
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>(62,865)</u></u>	<u><u>5,452</u></u>	<u><u>(79,259)</u></u>	<u><u>15,510</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	(62,865)	5,452	(79,259)	15,510
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>(62,865)</u></u>	<u><u>5,452</u></u>	<u><u>(79,259)</u></u>	<u><u>15,510</u></u>
Basic earnings per share attributable to equity holders of the Company (sen)				
-Basic	<u>(11.77)</u>	<u>1.13</u>	<u>(15.92)</u>	<u>3.35</u>
-Diluted	<u>(8.38)</u>	<u>0.97</u>	<u>(11.03)</u>	<u>2.21</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 JUNE 2019

	(Unaudited) As at 30.06.2019 RM'000	(Audited) As at 30.06.2018 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	467,974	414,878
Intangible assets	163,008	161,190
Deferred tax assets	14,489	-
	<u>645,471</u>	<u>576,068</u>
Current Assets		
Inventories	227,015	146,227
Contract assets	17,111	164,407
Trade receivables	48,290	31,487
Other receivables	93,345	121,046
Current tax assets	4,291	1,462
Cash and bank balances	1,564	7,175
	<u>391,616</u>	<u>471,804</u>
TOTAL ASSETS	<u><u>1,037,087</u></u>	<u><u>1,047,872</u></u>
EQUITY AND LIABILITIES		
Equity		
Share Capital		
Ordinary shares	375,504	356,167
Irredeemable convertible preference shares	172,827	172,827
Reserves		
Warrant reserve	5,053	5,492
Retained earnings	(57,888)	21,371
Equity attributable to owners of the Company	<u>495,496</u>	<u>555,857</u>
Non-controlling interest	-	-
Total Equity	<u>495,496</u>	<u>555,857</u>
Non-current Liabilities		
Loans and borrowings	152,220	192,575
Deferred tax liabilities	2,880	2,880
	<u>155,100</u>	<u>195,455</u>
Current Liabilities		
Contract liabilities	17,670	20,376
Trade payables	143,348	115,300
Other payables	142,833	96,538
Amount due to director	-	244
Bank overdrafts	29,941	26,795
Loans and borrowings	51,331	32,209
Current tax liabilities	1,368	5,098
	<u>386,491</u>	<u>296,560</u>
TOTAL LIABILITIES	<u>541,591</u>	<u>492,015</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,037,087</u></u>	<u><u>1,047,872</u></u>
Net Assets per share (RM)	0.93	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 TAIBERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	12 months ended 30.06.2019 (RM'000)	12 months ended 30.06.2018 (RM'000)
Cash flows from operating activities		
(Loss)/Profit before tax	(92,475)	23,492
Adjustments for:-		
Non-cash items	30,404	590
Non-operating items	8,595	637
Operating profit before changes in working capital	(53,476)	24,719
Changes in working capital		
Inventories	(80,788)	(28,005)
Contract assets	147,295	(54,166)
Receivables	(6,053)	(34,116)
Contract liabilities	(2,705)	20,375
Payables	42,698	(6,085)
Amount due to director	(244)	-
Cash generated from/(used in) operations	46,727	(77,278)
Finance costs	(8,631)	(779)
Interest income	36	143
Net Tax paid	(7,832)	(7,562)
Net cash generated from/(used in) operating activities	30,300	(85,476)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	18	-
Acquisition of intangible assets	(4,891)	(4,887)
Acquisition of property, plant and equipment	(31,848)	(184,373)
Net cash flow from acquisition of subsidiaries	-	(10,132)
Net cash used in investing activities	(36,721)	(199,392)
Cash flows from financing activities		
Drawdown of loans and borrowings	7,648	149,782
Repayment of loans and borrowings	(28,882)	(9,155)
Proceeds from issuance of ordinary shares	17,483	54,180
Share issuance expenses	-	(810)
Net proceeds from exercise of warrants	1,415	2,064
Net cash (used in)/generated from financing activities	(2,336)	196,061
Net decrease in cash & cash equivalents	(8,757)	(88,807)
Cash and cash equivalents at beginning of year	(19,620)	69,187
Cash and cash equivalents at end of year	(28,377)	(19,620)
Cash and cash equivalents comprise:		
Cash and bank balances	1,564	7,175
Bank overdrafts	(29,941)	(26,795)
	(28,377)	(19,620)

(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. Based on assessment, the adoption of these 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 year ended 30 June 2019.

A6. Changes in Estimates

There were no material changes in estimates for the financial year ended 30 June 2019.

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 year to-date except for the following:

- (i) Issuance of 48,564,000 new ordinary shares pursuant to a private placement at an issue price of RM0.36 per ordinary share; and
- (ii) 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 year ended 30 June 2019.

A9. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year to-date except for the incorporation of YTB Straits Sdn Bhd (“YTBS”) as a 75% owned subsidiary of the Company on 12 June 2019. YTBS has an issued and paid up share capital of RM100.00 comprising 100 ordinary shares.

A10. Contingent Liabilities

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

A11. Commitments

	As at 30.06.2019 RM'000
Approved and contracted for:	
Commitment for acquisition of a subsidiary company (see note B5(a)(i))	27,000
Commitment for construction of property, plant and equipment	49,938
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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 year ended 30 June 2019 is as follows:

	Property development RM'000	Property investment RM'000	Others RM'000	Elimination RM'000	Total RM'000
External sales	89,434	10,962	-	-	100,396
Inter-segment	-	-	12,000	(12,000)	-
Total	89,434	10,962	12,000	(12,000)	100,396
Gross profit	12,827	1,371	12,000	(12,000)	14,198
Other income	1,289	111	5	-	1,405
Other expenses	(50,633)	(29,895)	(30,919)	12,000	(99,447)
Operating loss	(36,517)	(28,413)	(18,914)	-	(83,844)
Finance costs					(8,631)
Loss before tax					(92,475)
Taxation					13,216
Loss for the year					(79,259)
Other information					
Segment assets	407,102	600,688	10,517	-	1,018,307
Unallocated corporate assets					18,780
Total consolidated corporate assets					1,037,087
Segment liabilities	216,174	285,845	38,204	-	540,223
Unallocated corporate liabilities					1,368
Total consolidated corporate liabilities					541,591

A14. Material Events subsequent to the End of Financial Period

There were no material events after 30 June 2019 till 21 August 2019 (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 or loss before tax (“PBT” or “LBT”) of the respective operating business segments for the current quarter and financial year to-date are analysed as follows:

	3 MONTHS ENDED			12 MONTHS ENDED		
	30.6.19 RM'000	30.6.18 RM'000	Changes RM'000	30.6.19 RM'000	30.6.18 RM'000	Changes RM'000
Revenue						
Property Development	8,157	28,266	(20,109)	89,434	130,093	(40,659)
Property Investment	1,822	-	1,822	10,962	-	10,962
	9,979	28,266	(18,287)	100,396	130,093	(29,697)
(Loss)/Profit Before Tax						
Property Development	(69,444)	10,050	(79,494)	(57,634)	26,692	(84,326)
Property Investment	(8,116)	(1,302)	(6,814)	(34,841)	(3,200)	(31,641)
	(77,560)	8,748	(86,308)	(92,475)	23,492	(115,967)

(a) Performance of the current quarter against the same quarter in the preceding year (4Q 2019 vs 4Q 2018)

Property Development

The Group recorded revenue of RM8.16 million and LBT of RM69.44 million for the current quarter ended 30 June 2019 as compared to revenue of RM28.27 million and PBT of RM10.05 million in the preceding year quarter.

Significant decrease in revenue and PBT in 4Q 2019 as compared to 4Q 2018 from the property development segment was mainly impacted by no contribution from Terra Square. In view of the current weak market condition, the Group also revised the costing of its existing on-going projects to reflect increasing development costs and took a one-off impairment loss on inventories and receivables totalling RM59.93 million in relation to Terra Square and long outstanding receivables arising from the disposal of dyeing business segment in financial year 2017.

Property Investment

The Group recorded RM1.82 million of Encore Melaka ticket revenue for the current quarter ended 30 June 2019.

For the current quarter under review, the Group incurred loss before tax of RM8.12 million mainly due to low ticket sales coupled with non-operating expenses such as depreciation, amortisation and interest charges which are no longer capitalised post commencement of the operation of Encore Melaka.

B1 Review of Group Performance (cont'd)

(b) Performance of the current year to-date against the preceding year to-date (YTD 2019 vs YTD 2018)

Property Development

During the financial year to-date, the Group achieved LBT of RM57.63 million on the back of RM89.43 million in revenue, which is RM84.33 million and RM40.66 million lower than the PBT and revenue achieved respectively in the preceding year. The LBT incurred for YTD 2019 was as mentioned above.

Property Investment

During the financial year to-date, the Group registered revenue of RM10.96 million and incurred loss before tax of RM34.84 million. The LBT incurred for YTD 2019 was as mentioned above.

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

The Group's current quarter loss before tax is RM77.56 million as compared to RM3.85 million loss before tax reported in the preceding quarter ended 31 March 2019. The loss incurred in the current quarter was mainly due to the revision of costing of its existing on-going projects to reflect increasing development costs and a one-off impairment loss on inventories and receivables totalling RM59.93 million in relation to Terra Square and long outstanding receivables arising from the disposal of dyeing business segment in financial year 2017.

B3. Prospects for Financial Year Ending 30 June 2020 ("FY2020")

The Group is committed to increasing the utilisation of Encore Melaka by growing visitor numbers from target tourist' markets of China and other Asian countries, in particular Taiwan and Hong Kong where the key local tour operators have now started to include the Encore Melaka show as part of their Malaysian tour itineraries. The Group is also looking for strategic investor to jointly operate the Encore Melaka in order to boost the theatre's profile across China and other parts of Asia.

In addition, the Group as a tourism and cultural related property developer expect to benefit from the Government initiatives to strengthen the tourism industry Malaysia such as Visit Malaysia 2020 campaign and Malaysia Tourism Transformation Plan 2020, with an aim to achieve 36.0 million tourists' arrival and generate up to RM168.0 billion in tourism receipts by the year 2020.

The Malaysia property market remains subdued due to the continued stringent lending policy, cautious sentiment among property buyers and mismatch in demand and supply of property. In view of the current soft property market condition, the Group remains prudent with its project launches and focuses on the right products to cater for the market demand. The next phase of Impression City development is Terra Square project, which comprises the development of the retail and shop lot units, a linear mall, an outlet mall and a four-star hotel to be built on 14.6 acres of land with estimated net lettable area of 700,000 square feet. The development of Terra Square is expected to bring in more visitors to Encore

Melaka and further enhance the overall gross development value of the Impression City project.

With total unbilled sales of RM410 million as at 30 June 2019, which are attributed to its ongoing development projects, namely The Apple, Amber Cove, The Dawn and Impression U-Thant, the Group expects its financial results will be improved for the financial year ending 30 June 2020.

B4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

B5. Status of Corporate Proposals

(a) The followings are the corporate proposals that have been announced by the Company and which were not completed as at 21 August 2019, (the latest practicable date (“LPD”) which is not earlier than 7 days from the date of issue of this interim financial report):-

- (i) 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. These two parcels of land are strategically located in Impression City, next to the Encore Melaka theatre.

- (ii) Following the Extraordinary General Meeting of the Company convened on 24 July 2019, shareholders’ approval were obtained for the Proposed Special Issue of up to 400,000,000 new ordinary shares in the Company. The Proposed Special Issue is expected to be completed within 6 months from the date of approval of the Company’s shareholders.

B6. Material Litigation

The Group was not engaged in any material litigation as at 21 August 2019 (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 year ended 30 June 2019.

B8. Taxation

	3 Months Ended		12 Months Ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current quarter/ period	(2,706)	2,197	1,157	7,483
- (over)/under provision	-	(57)	116	(57)
Deferred taxation	(11,989)	1,156	(14,489)	556
Tax expenses for the period	<u>(14,695)</u>	<u>3,296</u>	<u>(13,216)</u>	<u>7,982</u>

The Group's effective tax rate for the current quarter and financial year to-date is not comparable to the statutory tax rate as the Group is at loss position.

B9. Group Borrowings

	As at 30.06.2019 (RM'000)
<u>Current</u>	
Bank overdraft (unsecured)	29,941
Term loans (secured)	50,710
Finance lease (secured)	621
	<u>81,272</u>
<u>Non-Current</u>	
Term loans (secured)	150,829
Finance lease (secured)	1,391
Total	<u>152,220</u>

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

B10. Notes to the Statement of Comprehensive Income

	3 Months Ended	12 Months Ended
	30.06.2019	30.06.2019
	RM'000	RM'000
Notes to the Statement of Comprehensive		
Income comprises:-		
Interest income	10	36
Interest expenses	(2,069)	(8,631)
Depreciation of property, plant, equipment	(607)	(6,648)
Amortisation of intangible assets	(2,760)	(6,782)
Foreign currency exchange loss-realised	(22)	(7)
Loss on disposal of property, plant and equipment	-	(24)
Provision for doubtful debts	(16,952)	(16,952)
Impairment of contract asset	(42,977)	(42,977)

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.

	3 Months Ended		12 Months Ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Net (loss)/profit attributable to equity holders of the Company	<u>(62,865)</u>	<u>5,452</u>	<u>(79,259)</u>	<u>15,510</u>
Weighted average number of ordinary shares in issue ('000)	<u>534,208</u>	<u>482,291</u>	<u>497,771</u>	<u>462,752</u>
Basic earnings/(loss) per share attributable to equity holders of the Company (Sen)	<u>(11.77)</u>	<u>1.13</u>	<u>(15.92)</u>	<u>3.35</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.

	3 Months Ended		12 Months Ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Net (loss)/profit attributable to equity holders of the Company	<u>(62,865)</u>	<u>5,452</u>	<u>(79,259)</u>	<u>15,510</u>
Weighted average number of ordinary shares in issue ('000)	534,208	482,291	497,771	462,752
Effect of potential exercise of Warrants ('000)	-	23,101	4,895	23,572
Effect of conversion of ICPS ('000)	<u>216,034</u>	<u>56,501</u>	<u>216,034</u>	<u>216,034</u>
Adjusted weighted average number of ordinary shares ('000)	<u>750,242</u>	<u>561,893</u>	<u>718,700</u>	<u>702,358</u>
Diluted earnings/(loss) per share attributable to equity holders of the Company (Sen)	<u>(8.38)</u>	<u>0.97</u>	<u>(11.03)</u>	<u>2.21</u>

By Order of the Board,
Datuk Wira Boo Kuang Loon
Executive Director / Chief Executive Officer
Date: 27 August 2019