

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

3 MONTHS ENDED

	30.09.2019	30.09.2018
	(RM'000)	(RM'000)
Revenue	29,487	29,148
Cost of sales	(24,934)	(22,001)
Gross profit	<u>4,553</u>	<u>7,147</u>
Other income	367	528
Other expenses	(2,925)	(9,535)
Operating profit/(loss)	<u>1,995</u>	<u>(1,860)</u>
Finance costs	(1,964)	(2,177)
Profit/(Loss) before tax	<u>31</u>	<u>(4,037)</u>
Taxation	142	(1,187)
Profit/(Loss) for the period	<u>173</u>	<u>(5,224)</u>
Other comprehensive income, net of tax	-	-
Total comprehensive income/(expenses) for the period	<u><u>173</u></u>	<u><u>(5,224)</u></u>
Net profit/(loss) attributable to:		
Equity holders of the Company	174	(5,224)
Non-controlling interests	(1)	-
	<u>173</u>	<u>(5,224)</u>
Total comprehensive income/(expenses) attributable to:		
Equity holders of the Company	174	(5,224)
Non-controlling interests	(1)	-
	<u>173</u>	<u>(5,224)</u>
Earnings/(Loss) per share attributable to equity holders of the Company (sen)		
- Basic	<u>0.03</u>	<u>(1.08)</u>
- Diluted	<u>0.02</u>	<u>(0.73)</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 2019)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	(Unaudited) As at 30.09.2019 RM'000	(Audited) As at 30.06.2019 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	468,608	467,974
Intangible assets	161,313	163,008
Deferred tax assets	12,450	11,609
	<u>642,371</u>	<u>642,591</u>
Current Assets		
Inventories	217,766	217,496
Contract costs	10,195	9,519
Contract assets	37,364	17,111
Trade receivables	43,559	48,290
Other receivables	81,978	93,345
Current tax assets	4,427	3,515
Cash and bank balances	961	1,564
	<u>396,250</u>	<u>390,840</u>
TOTAL ASSETS	<u><u>1,038,621</u></u>	<u><u>1,033,431</u></u>
EQUITY AND LIABILITIES		
Ordinary shares	410,304	375,503
Irredeemable convertible preference shares	172,827	172,827
Warrant reserve	5,053	5,053
Retained earnings	(57,775)	(57,949)
	<u>530,409</u>	<u>495,434</u>
Non-controlling interests	(1)	-
TOTAL EQUITY	<u><u>530,408</u></u>	<u><u>495,434</u></u>
Non-current Liability		
Loans and borrowings	145,180	152,221
	<u>145,180</u>	<u>152,221</u>
Current Liabilities		
Contract liabilities	12,244	17,671
Trade payables	146,832	144,359
Other payables	118,576	142,138
Bank overdraft	30,271	29,941
Loans and borrowings	53,107	51,331
Current tax liabilities	2,003	336
	<u>363,033</u>	<u>385,776</u>
Total Liabilities	<u>508,213</u>	<u>537,997</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,038,621</u></u>	<u><u>1,033,431</u></u>
Net Assets per share (RM)	0.77	0.93

(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 2019)

YONG TAI BERHAD

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

	3 months ended 30.09.2019 (RM'000)	3 months ended 30.09.2018 (RM'000)
Cash flows from operating activities		
Profit/(Loss) before taxation	31	(4,037)
Adjustments for:-		
Non-cash items	3,367	3,319
Non-operating items	1,959	2,165
Operating profit before changes in working capital	5,357	1,447
Changes in working capital		
Inventories	(270)	(2,106)
Contract costs	(676)	(3,199)
Contract assets	(20,253)	127,523
Receivables	16,097	(74,439)
Contract liabilities	(5,427)	7,405
Payables	(21,089)	(32,016)
Cash (used in)/generated from operations	(26,261)	24,615
Finance costs	(1,964)	(2,177)
Interest income	5	12
Net tax refund/(paid)	56	(5,029)
Net cash (used in)/generated from operating activities	(28,164)	17,421
Cash flows from investing activities		
Acquisition of intangible assets	-	(5,515)
Purchase of property, plant and equipment	(2,306)	(19,928)
Net cash used in investing activities	(2,306)	(25,443)
Cash flows from financing activities		
Net proceeds from special issue of shares	34,801	1,415
Drawdown of loans and borrowings	1,901	1,345
Repayment of loans and borrowings	(7,165)	(7,306)
Net cash generated from/(used in) financing activities	29,537	(4,546)
Net decrease in cash & cash equivalents	(933)	(12,568)
Cash and cash equivalents at beginning of period	(28,377)	(19,620)
Cash and cash equivalents at end of period	(29,310)	(32,188)
Cash and cash equivalents comprise:		
Cash and bank balances	961	4,628
Bank overdraft	(30,271)	(36,816)
	(29,310)	(32,188)

(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 2019)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	←——— Attributable to equity holders of the Company ———→						
	←——— Non-distributable			———→ Distributable			
	Irredeemable convertible			(Accumulated losses)/			
	Ordinary shares	preference shares	Warrant reserve	Retained earnings	Total	Non-controlling interests	Total equity
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
At 1 July 2018	356,167	172,827	5,492	21,371	555,857	-	555,857
Total comprehensive expenses for the period	-	-	-	(5,224)	(5,224)	-	(5,224)
Issuance of ordinary shares - exercise of warrants	1,854	-	(439)	-	1,415	-	1,415
At 30 September 2018	<u>358,021</u>	<u>172,827</u>	<u>5,053</u>	<u>16,147</u>	<u>552,048</u>	<u>-</u>	<u>552,048</u>
At 1 July 2019	375,503	172,827	5,053	(57,949)	495,434	-	495,434
Total comprehensive income for the period	-	-	-	174	174	(1)	173
Issuance of ordinary shares - special issue	36,383	-	-	-	36,383	-	36,383
Share issuance expenses	(1,582)	-	-	-	(1,582)	-	(1,582)
At 30 September 2019	<u>410,304</u>	<u>172,827</u>	<u>5,053</u>	<u>(57,775)</u>	<u>530,409</u>	<u>(1)</u>	<u>530,408</u>

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019)

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 2019.

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 2019.

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 the IFRS Interpretations Committee ("IFRIC") agenda decision on borrowing cost relating to over time transfer of constructed goods. The Group is assessing the impact on the change in accounting policy pursuant to the IFRIC agenda decision, which apply to financial statements of annual periods beginning on or after 1 July 2020.

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 2019 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 2019.

A6. Changes in Estimates

There were no material changes in estimates for the financial period ended 30 September 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 period to-date except for the issuance of 8,500,000 and 146,500,000 new ordinary shares pursuant to the special issue at an issue price of RM0.23 and RM0.235 per ordinary share respectively.

A8. Dividends Paid

There was no payment of dividend during the financial period ended 30 September 2019.

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

	As at 30.9.2019 RM'000
Approved and contracted for:	
Commitment for acquisition of a subsidiary (see note B5(a)(i))	27,000
Commitment for construction of property, plant and equipment	49,938
	=====

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 2019 is as follows:

	Property development RM'000	Property investment RM'000	Others RM'000	Elimination RM'000	Total RM'000
External sales	26,638	2,849	-	-	29,487
Inter-segment	-	-	3,000	(3,000)	-
Total	26,638	2,849	3,000	(3,000)	29,487
Gross profit/(loss)	8,381	(3,828)	3,000	(3,000)	4,553
Other income	218	149	-	-	367
Other expenses	(1,225)	(1,610)	(3,090)	3,000	(2,925)
Operating profit/(loss)	7,374	(5,289)	(90)	-	1,995
Finance costs					(1,964)
Profit before tax					31
Taxation					142
Profit after tax					173
Non-controlling interest					1
Profit for the period					174
Other information					
Segment assets	415,870	595,137	10,738	-	1,021,745
Unallocated corporate assets					16,876
Total consolidated corporate assets					1,038,621
Segment liabilities	219,422	249,919	36,869	-	506,210
Unallocated corporate liabilities					2,003
Total consolidated corporate liabilities					508,213

A14. Material Events subsequent to the End of Financial Period

There were no material events after 30 September 2019 till 22 November 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 are analysed as follows:

	3 MONTHS ENDED	
	30.09.19 RM'000	30.09.18 RM'000
Revenue		
- Property Development	26,638	24,665
- Property Investment	2,849	4,483
	29,487	29,148
Profit/(Loss) Before Tax		
- Property Development	6,744	3,428
- Property Investment	(6,713)	(7,465)
	31	(4,037)

(a) Property Development

The Group recorded revenue of RM26.64 million and PBT of RM6.74 million for the current quarter ended 30 September 2019 as compared to revenue of RM24.67 million and PBT of RM3.43 million in the preceding year quarter.

The increase in revenue and PBT in 1Q 2020 as compared to 1Q 2019 from the property development segment was mainly due to the contribution from the on-going development projects, namely The Apple, Amber Cove, The Dawn and Impression U-Thant.

(b) Property Investment

The Group recorded RM2.85 million of Encore Melaka ticket revenue and LBT of RM6.71 million for the current quarter ended 30 September 2019 as compared to revenue of RM4.48 million and LBT of RM7.47 million in the preceding year quarter.

Despite the low ticket sales in 1Q 2020, the LBT from the property investment segment has reduced following the cost rationalisation undertaken by the Group on the theatre operation costs.

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

The Group’s current quarter profit before tax is RM0.03 million as compared to RM77.56 million loss before tax reported in the preceding quarter ended 30 June 2019. The significant loss incurred in the preceding quarter was mainly due to the revocation of en-bloc sale of Terra Square and impairment on the long outstanding receivables arising from the disposal of dyeing business segment in financial year 2017.

B3. Prospects for the Current Financial Year (“FY 2020”)

Moving into FY 2020, the Group is expecting to see continuing improvement in occupancy rate and higher ticket sales for Encore Melaka by implementing various promotional activities to encourage greater volume of visitors and more effective partnerships with tour agencies and hoteliers. The Group will also benefit from the expected increase in the number of tourist arrivals with the initiatives driven by the Government to strengthen the local tourism industry such as Visit Malaysia 2020 campaign.

On the property development division, the Group will focus on reducing its inventories. In view of the current weak property market conditions in Malaysia, the Group will be prudent in launching new projects and will select the right property offerings that will suit the market demand. The Group is also re-visiting the development plan of Terra Square, which will be the next phase of Impression City development.

With total unbilled sales of RM382 million as at 30 September 2019, which are attributed to its on-going development projects, namely The Apple, Amber Cove, The Dawn and Impression U-Thant, the Group expects its financial results to improve 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 22 November 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.

(b) Utilisation of proceeds raised from corporate proposal as at 30 September 2019 are as follow:

- (i) Proceeds totalling RM36.38 million were raised under the first and second tranche of the Special Issue exercise carried out in the first quarter of the financial year ending 30 June 2020 which was completed on 20 August 2019 and 4 September 2019 respectively. The status of the utilisation of these proceeds is as set out below:

Purpose	Actual raised RM'000	Actual utilisation RM'000	Balance unutilised RM'000
Part financing the development of the following:			
- Terra Square	19,710	(19,710)	-
- Impression City	6,576	(6,576)	-
- Impression U-Thant	4,560	(4,560)	-
Working capital	3,955	(3,955)	-
Defray estimated expenses	1,582	(1,582)	-
Total	36,383	(36,383)	-

B6. Material Litigation

The Group was not engaged in any material litigation as at 22 November 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 period ended 30 September 2019.

B8. Taxation

	3 Months Ended	
	30.09.2019 RM'000	30.09.2018 RM'000
Income tax		
- current quarter / period	699	1,187
- Deferred taxation	(841)	-
Tax expenses for the period	<u>(142)</u>	<u>1,187</u>

The Group’s effective tax rate for the current quarter is lower than the statutory tax rate mainly due to the recognition of deferred tax asset from the loss incurred in the theatre operation.

B9. Group Borrowings

	As at 30.09.2019 (RM'000)
<u>Current</u>	
Bank overdraft (unsecured)	30,271
Term loans (secured)	52,475
Finance lease (secured)	632
	<u>83,378</u>
<u>Non-Current</u>	
Term loans (secured)	143,952
Finance lease (secured)	1,228
Total	<u>145,180</u>

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

B10. Notes to the Statement of Comprehensive Income

	3 Months Ended 30.09.2019 RM'000	3 Months Ended 30.09.2018 RM'000
Notes to the Statement of Comprehensive Income comprises:-		
Interest income	5	12
Interest expenses	(1,964)	(2,177)
Depreciation of property, plant, equipment	(1,672)	(1,617)
Amortisation of intangible assets	(1,695)	(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.

	3 Months Ended	
	30 09.2019	30 09.2018
	RM'000	RM'000
Net profit/(loss) attributable to equity holders of the Company	<u>174</u>	<u>(5,224)</u>
Weighted average number of ordinary shares in issue ('000)	<u>637,541</u>	<u>485,587</u>
Basic earnings/(loss) per share attributable to equity holders of the Company (Sen)	<u>0.03</u>	<u>(1.08)</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	
	30.09.2019	30.09.2018
	RM'000	RM'000
Net profit/(loss) attributable to equity holders of the Company	<u>174</u>	<u>(5,224)</u>
Weighted average number of ordinary shares in issue ('000)	637,541	485,587
Effect of potential exercise of Warrants ('000)	-	17,772
Effect of conversion of ICPS ('000)	<u>216,034</u>	<u>216,034</u>
Adjusted weighted average number of ordinary shares ('000)	<u>853,575</u>	<u>719,393</u>
Diluted earnings/(loss) per share attributable to equity holders of the Company (Sen)	<u>0.02</u>	<u>(0.73)</u>

By Order of the Board,
Datuk Wira Boo Kuang Loon
Executive Director / Chief Executive Officer
Date: 29 November 2019