

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2020

	3 MONTHS ENDED		9 MONTHS ENDED	
	31.03.2020 (RM'000)	31.03.2019 (RM'000)	31.03.2020 (RM'000)	31.03.2019 (RM'000)
Revenue	7,548	40,061	47,684	90,417
Cost of sales	(19,252)	(33,264)	(55,403)	(78,507)
Gross (loss)/profit	(11,704)	6,797	(7,719)	11,910
Other income	1,668	436	2,906	993
Other expenses	(290)	(8,900)	(6,615)	(21,256)
Operating loss	(10,326)	(1,667)	(11,428)	(8,353)
Finance costs	(1,697)	(2,183)	(5,524)	(6,562)
Loss before tax	(12,023)	(3,850)	(16,952)	(14,915)
Taxation	649	(1,405)	(288)	(1,479)
Loss for the period	(11,374)	(5,255)	(17,240)	(16,394)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive expense for the period	(11,374)	(5,255)	(17,240)	(16,394)
Net Loss attributable to :				
Equity holders of the Company	(11,374)	(5,255)	(17,239)	(16,394)
Non-controlling interest	-	-	(1)	-
	(11,374)	(5,255)	(17,240)	(16,394)
Total comprehensive income attributable to:				
Equity holders of the Company	(11,374)	(5,255)	(17,239)	(16,394)
Non-controlling interest	-	-	(1)	-
	(11,374)	(5,255)	(17,240)	(16,394)
(Loss) per share attributable to equity holders of the Company (sen)				
-Basic	(1.19)	(1.08)	(2.17)	(3.38)
-Diluted	(1.06)	(0.75)	(1.87)	(2.31)

(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 31 MARCH 2020

	(Unaudited) As at 31.03.2020 RM'000	(Audited) As at 30.06.2019 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	468,331	467,974
Intangible assets	157,922	163,008
Deferred tax asset	11,609	11,609
	<u>637,862</u>	<u>642,591</u>
Current Assets		
Inventories	238,597	217,496
Contract costs	11,517	9,519
Contract assets	14,765	17,111
Trade receivables	51,241	48,290
Other receivables	81,385	93,345
Current tax assets	5,180	3,515
Cash and bank balances	1,683	1,564
	<u>404,368</u>	<u>390,840</u>
TOTAL ASSETS	<u><u>1,042,230</u></u>	<u><u>1,033,431</u></u>
EQUITY AND LIABILITIES		
Equity		
Share Capital		
Ordinary shares	514,919	375,503
Irredeemable convertible preference shares	99,675	172,827
Reserves		
Warrant reserve	5,053	5,053
Accumulated losses	(75,188)	(57,949)
	<u>544,459</u>	<u>495,434</u>
Non-controlling interests	(1)	-
Total Equity	<u><u>544,458</u></u>	<u><u>495,434</u></u>
Non-current Liability		
Loans and borrowings	140,592	152,221
	<u>140,592</u>	<u>152,221</u>
Current Liabilities		
Contract liabilities	14,516	17,671
Trade payables	144,074	144,359
Other payables	122,640	142,138
Bank overdrafts	28,418	29,941
Loans and borrowings	46,074	51,331
Current tax liabilities	1,458	336
	<u>357,180</u>	<u>385,776</u>
Total Liabilities	<u>497,772</u>	<u>537,997</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,042,230</u></u>	<u><u>1,033,431</u></u>
Net Assets per share (RM)	0.57	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 31 MARCH 2020**

	9 months ended 31.03.2020 (RM'000)	9 months ended 31.03.2019 (RM'000)
Cash flows from operating activities		
(Loss) before tax	(16,952)	(14,915)
Adjustments for:-		
Non-cash items	10,103	10,087
Non-operating items	5,507	6,520
Operating profit before changes in working capital	<u>(1,342)</u>	<u>1,692</u>
Changes in working capital		
Inventories	(21,101)	9,303
Contract costs	(1,998)	(5,073)
Contract assets	2,346	114,000
Receivables	9,009	(63,435)
Contract liabilities	(3,155)	4,800
Payables	(19,783)	(2,291)
Amount due to director	-	(244)
Cash (used in) /generated from operations	<u>(36,024)</u>	<u>58,752</u>
Finance costs	(5,524)	(6,562)
Interest income	17	26
Net Tax paid	(832)	(8,466)
Net cash (used in)/generated from operating activities	<u>(42,363)</u>	<u>43,750</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	5	18
Acquisition of intangible assets	-	(4,558)
Acquisition of property, plant and equipment	(5,378)	(37,476)
Net cash used in investing activities	<u>(5,373)</u>	<u>(42,016)</u>
Drawdown of loans and borrowings	-	7,287
Repayment of loans and borrowings	(16,886)	(24,733)
Proceeds from issuance of ordinary shares	66,264	-
Net proceeds from exercise of warrants	-	1,415
Net cash generated from/(used in) financing activities	<u>49,378</u>	<u>(16,031)</u>
Net increase/(decrease) in cash & cash equivalents	1,642	(14,297)
Cash and cash equivalents at beginning of period	<u>(28,377)</u>	<u>(19,620)</u>
Cash and cash equivalents at end of period	<u>(26,735)</u>	<u>(33,917)</u>
Cash and cash equivalents comprise:		
Cash and bank balances	1,683	1,910
Bank overdrafts	(28,418)	(35,827)
	<u>(26,735)</u>	<u>(33,917)</u>

(The unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2019)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2020

	←← Attributable to equity holders of the Company →→				→	Non-controlling interests	Total equity
	← Non-distributable		→ Distributable				
	Ordinary shares (RM'000)	Irredeemable convertible preference shares (RM'000)	Warrant reserve (RM'000)	Retained earnings/ losses (RM'000)	Total (RM'000)	(RM'000)	(RM'000)
At 1 July 2018	356,167	172,827	5,492	21,371	555,857	-	555,857
Total comprehensive expense for the period	-	-	-	(16,394)	(16,394)	-	(16,394)
Issuance of ordinary shares							
- exercise of warrants	1,854	-	(439)	-	1,415	-	1,415
At 31 March 2019	<u>358,021</u>	<u>172,827</u>	<u>5,053</u>	<u>4,977</u>	<u>540,878</u>	<u>-</u>	<u>540,878</u>
At 1 July 2019	375,503	172,827	5,053	(57,949)	495,434	-	495,434
Total comprehensive expense for the period	-	-	-	(17,239)	(17,239)	(1)	(17,240)
Issuance of ordinary shares							
- special issue	68,823	-	-	-	68,823	-	68,823
- exercise of ICPS conversion rights	73,152	(73,152)	-	-	-	-	-
Share issuance expenses	(2,559)	-	-	-	(2,559)	-	(2,559)
At 31 March 2020	<u>514,919</u>	<u>99,675</u>	<u>5,053</u>	<u>(75,188)</u>	<u>544,459</u>	<u>(1)</u>	<u>544,458</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 31 March 2020.

A6. Changes in Estimates

There were no material changes in estimates for the financial period ended 31 March 2020.

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 followings:

- i. Issuance of cumulative 329,000,000 new ordinary shares in six tranches pursuant to the Special Issue at an issue price of RM0.23, RM0.235, RM0.17, RM0.21, RM0.18 and RM0.17 per ordinary share respectively; and
- ii. Conversion of cumulative 91,440,431 irredeemable convertible preference (“ICPS”) shares into 91,440,431 new ordinary shares pursuant to the exercise of conversion rights of ICPS 2016/2026.

A8. Dividends Paid

There was no payment of dividend during the financial period ended 31 March 2020.

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 31.03.2020 RM'000
Approved and contracted for:	
Commitment for construction of property, plant and equipment	62,653
	=====

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 31 March 2020 is as follows:

	Property development RM'000	Property investment RM'000	Others RM'000	Elimination RM'000	Total RM'000
External sales	42,389	5,295	-	-	47,684
Inter-segment	-	-	9,000	(9,000)	-
Total	42,389	5,295	9,000	(9,000)	47,684
Gross profit/(loss)	6,729	(14,448)	9,000	(9,000)	(7,719)
Other income	2,580	325	1	-	2,906
Other expenses	(2,431)	(4,366)	(8,818)	9,000	(6,615)
Operating profit/(loss)	6,878	(18,489)	183	-	(11,428)
Finance costs					(5,524)
Loss before tax					(16,952)
Taxation					(288)
Loss after tax					(17,240)
Non-controlling interest					1
Loss for the period					(17,239)
Other information					
Segment assets	422,506	591,733	11,202	-	1,025,441
Unallocated corporate assets					16,789
Total consolidated corporate assets					1,042,230
Segment liabilities	223,454	237,312	35,548	-	496,314
Unallocated corporate liabilities					1,458
Total consolidated corporate liabilities					497,772

A14. Material Events subsequent to the End of Financial Period

There were no material events after 31 March 2020 till 22 June 2020 (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 period to-date are analysed as follows:

	3 MONTHS ENDED			9 MONTHS ENDED		
	31.03.20 RM'000	31.03.19 RM'000	Changes RM'000	31.03.20 RM'000	31.03.19 RM'000	Changes RM'000
Revenue						
Property Development	6,974	38,375	(31,401)	42,389	81,277	(38,888)
Property Investment	574	1,686	(1,112)	5,295	9,140	(3,845)
	7,548	40,061	(32,513)	47,684	90,417	(42,733)
Profit/(Loss) Before Tax						
Property Development	(3,236)	5,884	(9,120)	5,414	11,809	(6,395)
Property Investment	(8,787)	(9,734)	(947)	(22,366)	(26,724)	(4,358)
	(12,023)	(3,850)	8,173	(16,952)	(14,915)	2,037

(a) Performance of the current quarter against the same quarter in the preceding year (3Q 2020 vs 3Q 2019)

Property Development

The Group recorded revenue of RM6.97 million and LBT of RM3.24 million for the current quarter ended 31 March 2020 as compared to revenue of RM38.38 million and PBT of RM5.88 million in the preceding year quarter.

The decrease in revenue in 3Q 2020 was mainly due to slower work progress from its on-going development projects and the property market remains subdued. The LBT incurred for the current quarter was mainly due to revision of project costing from its development projects.

Property Investment

The Group recorded RM0.57 million of Encore Melaka ticket revenue and LBT of RM8.79 million for the current quarter ended 31 March 2020 as compared to revenue of RM1.69 million and LBT of RM9.73 million in the quarter in the preceding year.

The decrease in ticket sales in 3Q 2020 was mainly due to the current COVID-19 outbreak that has caused ticketing sales cancellation and decline in tour bookings as a result of travel restriction imposed by the government of Malaysia, China and various countries. Despite the low ticket sales in 3Q 2020, the LBT from the property investment segment has reduced following the cost rationalisation exercise undertaken by the Group on the theatre operation.

B1 Review of Group Performance (cont'd)

(b) Performance of the current period to-date against the preceding period to-date (3Q PTD 2020 vs 3Q PTD 2019)

Property Development

During the financial period to-date, the Group achieved revenue of RM42.39 million and PBT of RM5.41 million as compared to revenue of RM81.28 million and PBT of RM11.81 million in the preceding period to date. The decrease in revenue and PBT for the 3Q PTD 2020 as compared to 3Q PTD 2019 are as mentioned above.

Property Investment

During the financial period to-date, the Group registered revenue of RM5.30 million and incurred LBT of RM22.37 million. The decrease in revenue and LBT for the 3Q PTD 2020 as compared to 3Q PTD 2019 are 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 RM12.02 million as compared to RM4.96 million loss before tax reported in the preceding quarter ended 31 December 2019. The overall weaker performance in the current quarter was mainly due to lower profit contribution from the development projects and the additional losses incurred from the theatre operation consequent to the COVID-19 outbreak.

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

The current COVID-19 pandemic has impacted the global economic outlook, adversely affecting the Malaysia's tourism, hospitality and property sectors which are quite reliant on tourist arrivals and foreign investors, in particular from our target market China.

To curb the escalation of infection rate of COVID-19 virus in Malaysia, the Government imposed the Movement Control Order ("MCO") on 18 March 2020 followed by Conditional MCO ("CMCO") which ended on 9 June 2020, requiring the Group's business premises, sales galleries, project sites and theatre to be closed. Consequently, the construction progress for the on-going projects was disrupted, delay in property sales conversion and ticketing sales cancellations for the theatre.

The Government has subsequently announced three stimulus packages to mitigate the negative economic impact from the COVID-19 outbreak and further relax the MCO policy by allowing most business operations to resume on 4 May 2020. Following the relaxation, the Group has resumed all the construction work at project sites and implemented the Standard Operating Procedures issued by Malaysian National Security Council in order to safeguard the safety of our employees and construction workers. However, our theatre which falls under the prohibited activities will remain closed until further guideline issued by the Government.

Although Malaysia's economy is now in a recovery stage post CMCO, the Group anticipates the property and tourism markets to remain subdued in the medium term due to poor market sentiment and tourists' confidence remain low, high level of unsold stocks in the market and falling in tourists' arrivals as a result of travel ban imposed by various countries.

Due to the negative impact on economic activities caused by COVID-19 and the MCO, the Group expects the financial results for second half of FY 2020 and financial year ending 30 June 2020 to be adversely affected. Nonetheless, the Group is focused on being resilient and continues to work to overcome our current difficulties.

B4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

B5. Status of Corporate Proposals

(a) There were no other corporate proposals that have been announced by the Company and which were not completed as at 22 June 2020, (the latest practicable date (“LPD”) which is not earlier than 7 days from the date of issue of this interim financial report), except for the balance 71 million Special Issues which the Company has applied to Bursa Malaysia Securities Berhad for further extension of time of 6 months up to 31 December 2020 to complete the Special Issue exercise.

(b) Utilisation of proceeds raised from corporate proposal as at 31 March 2020 are as follow:

(i) Proceeds totalling RM68.82 million were raised under the six tranches of the Special Issue exercise carried out up to third quarter of the financial year ending 30 June 2020 which was completed on 20 August 2019, 4 September 2019, 29 October 2019, 28 November 2019, 19 December 2019 and 15 January 2020 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	27,741	(27,741)	-
- Impression City	12,017	(12,017)	-
- Impression U-Thant	5,310	(5,310)	-
Working capital	21,255	(21,255)	-
Defray estimated expenses	2,500	(2,500)	-
Total	68,823	(68,823)	-

B6. Material Litigation

The Group was not engaged in any material litigation as at 22 June 2020 (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 31 March 2020.

B8. Taxation

	3 Months Ended		9 Months Ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current quarter/ period	(653)	1,289	284	3,863
- under provision	4	116	4	116
Deferred taxation	-	-	-	(2,500)
Tax expenses for the period	<u>(649)</u>	<u>1,405</u>	<u>288</u>	<u>1,479</u>

The Group's effective tax rate for 3Q 2020 and 3Q PTD 2020 is not comparable to the statutory tax rate as the Group is at loss position.

B9. Group Borrowings

	As at 31.03.2020 (RM'000)
<u>Current</u>	
Bank overdraft (unsecured)	28,418
Term loans (secured)	45,419
Finance lease (secured)	655
	<u>74,492</u>
<u>Non-Current</u>	
Term loans (secured)	139,697
Finance lease (secured)	895
Total	<u>140,592</u>

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

B10. Notes to the Statement of Comprehensive Income

	3 Months Ended	9 Months Ended
	31.03.2020	31.03.2020
	RM'000	RM'000
Notes to the Statement of Comprehensive Income comprises:-		
Interest income	7	17
Interest expenses	(1,697)	(5,524)
Depreciation of property, plant, equipment	(1,672)	(5,014)
Amortisation of intangible assets	(1,696)	(5,087)
Loss on disposal of property, plant and equipment	-	(2)

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		9 Months Ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Net (loss) attributable to equity holders of the Company	<u>(11,374)</u>	<u>(5,255)</u>	<u>(17,239)</u>	<u>(16,394)</u>
Weighted average number of ordinary shares in issue ('000)	<u>952,491</u>	<u>485,644</u>	<u>796,156</u>	<u>485,625</u>
Basic (loss) per share attributable to equity holders of the Company (Sen)	<u>(1.19)</u>	<u>(1.08)</u>	<u>(2.17)</u>	<u>(3.38)</u>

b. Diluted

Diluted earnings/(loss) 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		9 Months Ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Net (loss) attributable to equity holders of the Company	<u>(11,374)</u>	<u>(5,255)</u>	<u>(17,239)</u>	<u>(16,394)</u>
Weighted average number of ordinary shares in issue ('000)	952,491	485,644	796,156	485,625
Effect of potential exercise of Warrants ('000)	-	-	-	8,130
Effect of conversion of ICPS ('000)	<u>124,594</u>	<u>216,034</u>	<u>124,594</u>	<u>216,034</u>
Adjusted weighted average number of ordinary shares ('000)	<u>1,077,085</u>	<u>701,678</u>	<u>920,750</u>	<u>709,789</u>
Diluted (loss) per share attributable to equity holders of the Company (Sen)	<u>(1.06)</u>	<u>(0.75)</u>	<u>(1.87)</u>	<u>(2.31)</u>

By Order of the Board,
Datuk Wira Boo Kuang Loon
Executive Director / Chief Executive Officer
Date: 29 June 2020