

YONG TAI BERHAD**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2020****3 MONTHS ENDED**

	30.09.2020	30.09.2019
	(RM'000)	(RM'000)
Revenue	43,454	29,487
Cost of sales	<u>(42,362)</u>	<u>(24,934)</u>
Gross profit	1,092	4,553
Other income	4,112	367
Other expenses	<u>(3,397)</u>	<u>(2,925)</u>
Operating profit	1,807	1,995
Finance costs	<u>(1,279)</u>	<u>(1,964)</u>
Profit before tax	528	31
Taxation	<u>(91)</u>	<u>142</u>
Profit for the period	437	173
Other comprehensive income, net of tax	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>437</u></u>	<u><u>173</u></u>
Net profit/(loss) attributable to:		
Equity holders of the Company	437	174
Non-controlling interests	<u>-</u>	<u>(1)</u>
	<u><u>437</u></u>	<u><u>173</u></u>
Total comprehensive income/(expenses) attributable to:		
Equity holders of the Company	437	174
Non-controlling interests	<u>-</u>	<u>(1)</u>
	<u><u>437</u></u>	<u><u>173</u></u>
Earnings per share attributable to equity holders of the Company (sen)		
- Basic	<u>0.04</u>	<u>0.03</u>
- Diluted	<u>0.04</u>	<u>0.02</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 2020)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	(Unaudited) As at 30.09.2020 RM'000	(Audited) As at 30.06.2020 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	468,215	466,299
Right-of-use assets	2,057	2,172
Intangible assets	152,387	154,059
Deferred tax asset	6,320	6,320
	628,979	628,850
Current Assets		
Inventories	229,753	245,159
Contract costs	12,638	12,045
Contract assets	7,740	5,563
Trade receivables	76,038	48,819
Other receivables	87,405	79,664
Current tax assets	1,144	1,098
Cash and bank balances	7,497	10,039
	422,215	402,387
TOTAL ASSETS	1,051,194	1,031,237
EQUITY AND LIABILITIES		
Equity		
Share Capital		
Ordinary shares	528,172	517,437
Irredeemable convertible preference shares	88,799	97,159
Reserves		
Accumulated losses	(97,060)	(97,497)
	519,911	517,099
Non-controlling interests	(2)	(2)
Total Equity	519,909	517,097
Non-current Liability		
Lease liabilities	666	825
Loans and borrowings	136,757	157,881
	137,423	158,706
Current Liabilities		
Contract liabilities	38,793	15,914
Trade payables	159,200	143,737
Other payables	121,956	136,864
Lease liabilities	769	791
Bank overdrafts	30,455	26,313
Loans and borrowings	42,422	31,531
Current tax liabilities	267	284
	393,862	355,434
Total Liabilities	531,285	514,140
TOTAL EQUITY AND LIABILITIES	1,051,194	1,031,237
Net Assets per share (RM)	0.53	0.54

(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 2020)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	3 months ended 30.09.2020 (RM'000)	3 months ended 30.09.2019 (RM'000)
Cash flows from operating activities		
Profit before taxation	528	31
Adjustments for:-		
Non-cash items	3,414	3,367
Non-operating items	<u>1,271</u>	<u>1,959</u>
Operating profit before changes in working capital	5,213	5,357
Changes in working capital		
Inventories	15,406	(270)
Contract costs	(593)	(676)
Contract assets	(2,177)	(20,253)
Receivables	(34,960)	16,097
Contract liabilities	22,879	(5,427)
Payables	<u>555</u>	<u>(21,089)</u>
Cash generated from/(used in) operations	6,323	(26,261)
Finance costs	(1,279)	(1,964)
Interest income	7	5
Net tax (paid)/refund	<u>(154)</u>	<u>56</u>
Net cash generated from/(used in) operating activities	<u>4,897</u>	<u>(28,164)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	<u>(3,499)</u>	<u>(2,306)</u>
Net cash used in investing activities	<u>(3,499)</u>	<u>(2,306)</u>
Cash flows from financing activities		
Net proceeds from special issue of shares	2,375	34,801
Drawdown of loans and borrowings	-	1,901
Repayment of lease liability	(180)	-
Repayment of loans and borrowings	<u>(10,233)</u>	<u>(7,165)</u>
Net cash (used in)/generated from financing activities	<u>(8,038)</u>	<u>29,537</u>
Net decrease in cash & cash equivalents	(6,640)	(933)
Cash and cash equivalents at beginning of period	(16,274)	(28,377)
Effect of exchange rate changes on the balance of cash held in foreign currencies	<u>(44)</u>	<u>-</u>
Cash and cash equivalents at end of period	<u><u>(22,958)</u></u>	<u><u>(29,310)</u></u>
Cash and cash equivalents comprise:		
Cash and bank balances	7,497	961
Bank overdraft	<u>(30,455)</u>	<u>(30,271)</u>
	<u><u>(22,958)</u></u>	<u><u>(29,310)</u></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 2020)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 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/ (Accumulated losses) (RM'000)	Total (RM'000)	(RM'000)	(RM'000)
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	410,304	172,827	5,053	(57,775)	530,409	(1)	530,408
At 1 July 2020	517,437	97,159	-	(97,497)	517,099	(2)	517,097
Total comprehensive income for the period	-	-	-	437	437	-	437
Issuance of ordinary shares - special issue	2,375	-	-	-	2,375	-	2,375
- exercise of ICPS conversion rights	8,360	(8,360)	-	-	-	-	-
At 30 September 2020	528,172	88,799	-	(97,060)	519,911	(2)	519,909

(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 2020)

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 2020.

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 2020.

The Group has adopted the new and revised Malaysian Financial Reporting Standards ("MFRSs") and IC Interpretations that became mandatory for the current reporting period. 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 2020 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 2020.

A6. Changes in Estimates

There were no material changes in estimates for the financial period ended 30 September 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 financial period ended 30 September 2020 except for the followings:

- i. Issuance of 19,000,000 new ordinary shares pursuant to the seventh tranche of the Special Issue at an issue price of RM0.125 per ordinary share; and
- ii. Conversion of cumulative 10,450,330 irredeemable convertible preference (“ICPS”) shares into 10,450,330 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 30 September 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 30.09.2020 RM'000
Approved and contracted for:	
Commitment for construction of property, plant and equipment	62,738 =====

A12. Significant Related Party Transactions

There were no significant related party transactions during the financial period ended 30 September 2020.

A13. Segment Reporting

The segmental analysis for the financial period ended 30 September 2020 is as follows:

	Property development RM'000	Property investment RM'000	Others RM'000	Elimination RM'000	Total RM'000
External sales	43,434	20	-	-	43,454
Inter-segment	-	-	2,265	(2,265)	-
Total	43,434	20	2,265	(2,265)	43,454
Gross profit/ (loss)	4,815	(3,723)	2,265	(2,265)	1,092
Other income	4,147	7	(42)	-	4,112
Other expenses	(2,511)	(368)	(2,783)	2,265	(3,397)
Operating profit/(loss)	6,451	(4,084)	(560)	-	1,807
Finance costs					(1,279)
Profit before tax					528
Taxation					(91)
Profit after tax					437
Non-controlling interest					-
Profit for the period					437
Other information					
Segment assets	447,151	586,932	9,647	-	1,043,730
Unallocated corporate assets					7,464
Total consolidated corporate assets					1,051,194
Segment liabilities	257,771	234,856	38,391	-	531,018
Unallocated corporate liabilities					267
Total consolidated corporate liabilities					531,285

A14. Material Events subsequent to the End of Financial Period

There were no material events after 30 September 2020 till 16 November 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 are analysed as follows:

	3 MONTHS ENDED		
	30.09.2020 RM'000	30.09.2019 RM'000	Changes RM'000
Revenue			
Property Development	43,434	26,638	16,796
Property Investment	20	2,849	(2,829)
	43,454	29,487	13,967
Profit/(Loss) Before Tax			
Property Development	5,492	6,744	(1,252)
Property Investment	(4,964)	(6,713)	1,749
	528	31	497

(a) Property Development

The Group recorded revenue of RM43.43 million and PBT of RM5.49 million in the current quarter ended 30 September 2020 as compared to revenue of RM26.64 million and PBT of RM6.74 million in the preceding year quarter.

Since the implementation of the Recovery Movement Control Order (“RMCO”) by the Government from 10 June 2020, slowly opening up the economy, all of our project sites have resumed construction work and hence contributed to progressive revenue recognition in 1Q 2021. The increase in revenue was also due to an en-bloc sale of The Dawn secured in 1Q 2021. Despite the increase in revenue, PBT was lower due to Group having revised the project costing for all the development projects in the preceding quarter.

(b) Property Investment

Encore Melaka theatre has yet to commence business during the current quarter under review so as to comply with the Government’s Standard Operating Procedures.

Despite zero ticket sales, the LBT of RM4.96 million was mainly from non-operating expenses such as depreciation of theatre building, amortisation of intangible assets and finance cost incurred.

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

The Group’s current quarter profit before tax was RM0.53 million as compared to RM22.32 million loss before tax reported in the preceding quarter ended 30 June 2020. The significant loss incurred in the preceding quarter was mainly due to imposition of MCO and CMCO which had disrupted the site construction progress and consequently affected the profit recognition. Moreover, additional losses were recognized due to the revision of project costing for all the development projects.

B3. Prospects for the Current Financial Year (“FY 2021”)

It is worth noting that despite the disruption caused by Movement Control Order, the Group managed to clear inventories worth RM76 million in first quarter of FY 2021. Looking ahead, the Group’s key focus remains clearing the existing property inventories and conducting cost rationalisation initiatives in order to conserve cashflow during this challenging operating environment and for better operational efficiency for FY 2021.

As for Encore Melaka theatre, the Group anticipates that the country’s tourism industry will continue to see low tourist traffic due to the impact of Covid-19 outbreak, pending the opening of borders and the introduction of travel bubbles. With the temporary closure of theatre, the Group is able to keep its theatre operating cost at a minimum. In the medium term, the Group is working on reorganisation of shows to optimise the theatre’s utilisation and lease out the theatre hall to external production houses. This will help to create a new source of revenue for the Group and reduce the reliance on the in-house shows.

With total unbilled revenue of RM397 million as at 30 September 2020, which are attributable to its ongoing 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 2021.

B4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

B5. Status of Corporate Proposals

There were no other corporate proposals that have been announced by the Company and which were not completed as at 16 November 2020, (the latest practicable date (“LPD”) which is not earlier than 7 days from the date of issue of this interim financial report).

B6. Material Litigation

The Group was not engaged in any material litigation as at 16 November 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 30 September 2020.

B8. Taxation

	3 Months Ended	
	30.09.2020	30.09.2019
	RM'000	RM'000
Income tax		
- current quarter/year	91	699
Deferred taxation	-	(841)
Tax expenses for the quarter/year	<u>91</u>	<u>(142)</u>

The Group's effective tax rate for the current quarter is lower than the statutory tax rate mainly due to the utilization of unabsorbed business losses carried forward from one of the subsidiary company.

B9. Group Borrowings

	As at
	30.09.2020
	(RM'000)
<u>Current</u>	
Bank overdraft (unsecured)	30,455
Term loans (secured)	<u>42,422</u>
	<u>72,877</u>
<u>Non-Current</u>	
Term loans (secured)	<u>136,757</u>
Total	<u>136,757</u>

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

B10. Notes to the Statement of Comprehensive Income

	3 Months Ended	3 Months Ended
	30.09.2020	30.09.2019
	RM'000	RM'000
Notes to the Statement of Comprehensive		
Income comprises:-		
Interest income	7	5
Interest expenses	(1,279)	(1,964)
Depreciation of property, plant, equipment	(1,583)	(1,672)
Amortisation of intangible assets	(1,672)	(1,695)
Depreciation of right-of-use assets	(116)	-

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 Per Share

a. Basic

Earnings per share has been calculated by dividing the Group's profit 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 09.2020	30 09.2019
	RM'000	RM'000
Net profit attributable to equity holders of the Company	<u>437</u>	<u>174</u>
Weighted average number of ordinary shares in issue ('000)	<u>979,875</u>	<u>637,541</u>
Basic earnings per share attributable to equity holders of the Company (Sen)	<u>0.04</u>	<u>0.03</u>

b. Diluted

Diluted earnings per share has been calculated by dividing the Group's profit 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	
	30.09.2020	30.09.2019
	RM'000	RM'000
Net profit attributable to equity holders of the Company	<u>437</u>	<u>174</u>
Weighted average number of ordinary shares in issue ('000)	979,875	637,541
Effect of conversion of ICPS ('000)	<u>110,998</u>	<u>216,034</u>
Adjusted weighted average number of ordinary shares ('000)	<u>1,090,873</u>	<u>853,575</u>
Diluted earnings per share attributable to equity holders of the Company (Sen)	<u>0.04</u>	<u>0.02</u>

By Order of the Board,
Datuk Wira Boo Kuang Loon
Executive Director / Chief Executive Officer
Date: 23 November 2020