

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

	3 MONTHS ENDED		6 MONTHS ENDED	
	31.12.2020 (RM'000)	31.12.2019 (RM'000)	31.12.2020 (RM'000)	31.12.2019 (RM'000)
Revenue	4,898	10,649	48,352	40,136
Cost of sales	<u>(9,506)</u>	<u>(11,217)</u>	<u>(51,868)</u>	<u>(36,151)</u>
Gross (loss)/profit	(4,608)	(568)	(3,516)	3,985
Other income	8,565	871	12,677	1,238
Other expenses	<u>(1,264)</u>	<u>(3,400)</u>	<u>(4,661)</u>	<u>(6,325)</u>
Operating profit/(loss)	2,693	(3,097)	4,500	(1,102)
Finance costs	<u>(1,547)</u>	<u>(1,863)</u>	<u>(2,826)</u>	<u>(3,827)</u>
Profit/(Loss) before tax	1,146	(4,960)	1,674	(4,929)
Taxation	<u>(456)</u>	<u>(1,079)</u>	<u>(547)</u>	<u>(937)</u>
Profit/(Loss) for the period	690	(6,039)	1,127	(5,866)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income/(expense) for the period	<u>690</u>	<u>(6,039)</u>	<u>1,127</u>	<u>(5,866)</u>
Net Profit/(Loss) attributable to :				
Equity holders of the Company	690	(6,039)	1,127	(5,865)
Non-controlling interest	-	-	-	(1)
	<u>690</u>	<u>(6,039)</u>	<u>1,127</u>	<u>(5,866)</u>
Total comprehensive income attributable to:				
Equity holders of the Company	690	(6,039)	1,127	(5,865)
Non-controlling interest	-	-	-	(1)
	<u>690</u>	<u>(6,039)</u>	<u>1,127</u>	<u>(5,866)</u>
Basic earnings/(loss) per share attributable to equity holders of the Company (sen)				
-Basic	<u>0.07</u>	<u>(0.76)</u>	<u>0.11</u>	<u>(0.82)</u>
-Diluted	<u>0.06</u>	<u>(0.65)</u>	<u>0.10</u>	<u>(0.69)</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 31 DECEMBER 2020

	(Unaudited) As at 31.12.2020 RM'000	(Audited) As at 30.06.2020 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	473,991	466,299
Right-of-use assets	1,942	2,172
Intangible assets	150,715	154,059
Deferred tax asset	6,320	6,320
	<u>632,968</u>	<u>628,850</u>
Current Assets		
Inventories	264,503	245,159
Contract costs	15,293	12,045
Contract assets	3,335	5,563
Trade receivables	70,005	48,819
Other receivables	86,878	79,664
Current tax assets	1,114	1,098
Cash and bank balances	5,562	10,039
	<u>446,690</u>	<u>402,387</u>
TOTAL ASSETS	<u>1,079,658</u>	<u>1,031,237</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital		
Ordinary shares	549,939	517,437
Irredeemable convertible preference shares	82,063	97,159
Reserves		
Accumulated losses	(96,370)	(97,497)
	<u>535,632</u>	<u>517,099</u>
Non-controlling interests	(2)	(2)
Total Equity	<u>535,630</u>	<u>517,097</u>
Non-Current Liabilities		
Lease liabilities	592	825
Trade payables	30,378	-
Loans and borrowings	128,505	157,881
	<u>159,475</u>	<u>158,706</u>
Current Liabilities		
Contract liabilities	67,994	15,914
Trade payables	131,781	143,737
Other payables	113,697	136,864
Lease liabilities	629	791
Bank overdrafts	25,361	26,313
Loans and borrowings	44,579	31,531
Current tax liabilities	512	284
	<u>384,553</u>	<u>355,434</u>
Total Liabilities	<u>544,028</u>	<u>514,140</u>
TOTAL EQUITY AND LIABILITIES	<u>1,079,658</u>	<u>1,031,237</u>
Net Assets per share (RM)	0.50	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 31 DECEMBER 2020

	6 months ended 31.12.2020 (RM'000)	6 months ended 31.12.2019 (RM'000)
Cash flows from operating activities		
Profit/(Loss) before taxation	1,674	(4,929)
Adjustments for:-		
Non-cash items	6,622	6,735
Non-operating items	2,783	3,817
Operating profit before changes in working capital	<u>11,079</u>	<u>5,623</u>
Changes in working capital		
Inventories	(19,342)	(13,423)
Contract costs	(3,249)	(1,563)
Contract assets	2,227	(16,681)
Receivables	(28,399)	17,203
Contract liabilities	51,815	(2,473)
Payables	(4,481)	(25,811)
Cash generated from/(used in) operations	<u>9,650</u>	<u>(37,125)</u>
Finance costs	(2,812)	(3,827)
Interest income	15	10
Net tax paid	(334)	(766)
Net cash generated from/(used in) operating activities	<u>6,519</u>	<u>(41,708)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,740)	(3,299)
Proceeds from disposal of property, plant and equipment	14	5
Net cash used in investing activities	<u>(10,726)</u>	<u>(3,294)</u>
Cash flows from financing activities		
Net proceeds from issuance of ordinary shares	17,406	58,020
Drawdown of loans and borrowings	1,823	2,229
Repayment of lease liability	(395)	-
Repayment of loans and borrowings	(18,152)	(14,529)
Net cash generated from financing activities	<u>682</u>	<u>45,720</u>
Net (decrease)/increase in cash & cash equivalents	(3,525)	718
Cash and cash equivalents at beginning of period	<u>(16,274)</u>	<u>(28,377)</u>
Cash and cash equivalents at end of period	<u>(19,799)</u>	<u>(27,659)</u>
Cash and cash equivalents comprise:		
Cash and bank balances	5,562	762
Bank overdraft	(25,361)	(28,421)
	<u>(19,799)</u>	<u>(27,659)</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 31 DECEMBER 2020

	←———— Attributable to equity holders of the Company —————→						
	←———— Non-distributable —————→						
	Ordinary shares (RM'000)	Irredeemable convertible preference shares (RM'000)	Warrant reserve (RM'000)	Accumulated losses (RM'000)	Total (RM'000)	Non- controlling interests (RM'000)	Total equity (RM'000)
At 1 July 2019	375,503	172,827	5,053	(57,949)	495,434	-	495,434
Total comprehensive expense for the period	-	-	-	(5,865)	(5,865)	(1)	(5,866)
Issuance of ordinary shares							
- special issue	60,323	-	-	-	60,323	-	60,323
- exercise of ICPS conversion rights	63,745	(63,745)	-	-	-	-	-
Share issuance expenses	(2,303)	-	-	-	(2,303)	-	(2,303)
At 31 December 2019	<u>497,268</u>	<u>109,082</u>	<u>5,053</u>	<u>(63,814)</u>	<u>547,589</u>	<u>(1)</u>	<u>547,588</u>
At 1 July 2020	517,437	97,159	-	(97,497)	517,099	(2)	517,097
Total comprehensive income for the period	-	-	-	1,127	1,127	-	1,127
Issuance of ordinary shares							
- special issue	17,406	-	-	-	17,406	-	17,406
- exercise of ICPS conversion rights	15,096	(15,096)	-	-	-	-	-
At 31 December 2020	<u>549,939</u>	<u>82,063</u>	<u>-</u>	<u>(96,370)</u>	<u>535,632</u>	<u>(2)</u>	<u>535,630</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 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 31 December 2020.

A6. Changes in Estimates

There were no material changes in estimates for the financial period ended 31 December 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 31 December 2020 except for the followings:

- i. Issuance of balance 71,000,000 new ordinary shares pursuant to the Special Issue at an issue price of RM0.125 per ordinary share;
- ii. Issuance of 25,000,000 new ordinary shares pursuant to the first tranche of the Private Placement at an issue price of RM0.36 per ordinary shares; and
- iii. Conversion of cumulative 18,870,293 irredeemable convertible preference (“ICPS”) shares into 18,870,293 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 December 2020.

A9. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial period to-date except for:

- i. Incorporation of YTB ICT Sdn Bhd (“YTB ICT”) as a 100% owned subsidiary of the Company on 28 October 2020. YTB ICT has an issued and paid up share capital of RM1.00 comprising 1 ordinary share; and
- ii. Incorporation of YTB Healthcare Sdn Bhd (“YTBH”) as a 70% owned subsidiary of the Company on 28 December 2020. YTBH 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 31.12.2020 RM'000
Approved and contracted for:	
Commitment for construction of property, plant and equipment	54,958
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A12. Significant Related Party Transactions

There were no significant related party transactions during the financial period ended 31 December 2020.

A13. Segment Reporting

The segmental analysis for the financial period ended 31 December 2020 is as follows:

	Property development	Property investment	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
External sales	48,182	170	-	-	48,352
Inter-segment	-	-	4,890	(4,890)	-
Total	48,182	170	4,890	(4,890)	48,352
Gross profit/ (loss)	3,890	(7,406)	4,890	(4,890)	(3,516)
Other income	10,639	2,076	(38)	-	12,677
Other expenses	(2,851)	(902)	(5,798)	4,890	(4,661)
Operating profit/(loss)	11,678	(6,232)	(946)	-	4,500
Finance costs					(2,826)
Profit before tax					1,674
Taxation					(547)
Profit after tax					1,127
Non-controlling interest					-
Profit for the period					1,127
Other information					
Segment assets	472,690	590,937	8,597	-	1,072,224
Unallocated corporate assets					7,434
Total consolidated corporate assets					1,079,658
Segment liabilities	280,477	229,724	33,315	-	543,516
Unallocated corporate liabilities					512
Total consolidated corporate liabilities					544,028

A14. Material Events subsequent to the End of Financial Period

There were no material events after 31 December 2020 till 16 February 2021 (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			6 MONTHS ENDED		
	31.12.20 RM'000	31.12.19 RM'000	Changes RM'000	31.12.20 RM'000	31.12.19 RM'000	Changes RM'000
Revenue						
Property Development	4,748	8,777	(4,029)	48,182	35,415	12,767
Property Investment	150	1,872	(1,722)	170	4,721	(4,551)
	4,898	10,649	(5,751)	48,352	40,136	8,216
Profit/(Loss) Before Tax						
Property Development	4,441	1,906	2,535	9,933	8,650	1,283
Property Investment	(3,295)	(6,866)	3,571	(8,259)	(13,579)	5,320
	1,146	(4,960)	6,106	1,674	(4,929)	6,603

(a) Performance of the current quarter against the same quarter in the preceding year (2Q 2021 vs 2Q 2020)

Property Development

The Group recorded revenue of RM4.75 million and PBT of RM4.44 million for the current quarter ended 31 December 2020 as compared to revenue of RM8.78 million and PBT of RM1.91 million in the preceding year quarter.

The decrease in revenue in 2Q 2021 as compared to 2Q 2020 from the property development segment was mainly due to revocation of Sale and Purchase Agreement (“SPA”) by few purchasers. Despite the decrease in revenue, the PBT from the property development segment has increased mainly due to the recognition of the forfeiture income arising from the abovementioned revocation of SPA.

Property Investment

Encore Melaka theatre remains closed during the current quarter under review. The revenue recognised in 2Q 2021 was represented by rental income of advertising space.

Despite zero ticket sales, the LBT of RM3.29 million came mainly from non-operating expenses such as depreciation of theatre building, amortisation of intangible assets and finance cost incurred.

B1. Review of Group Performance (cont'd)

(b) Performance of the current period to-date against the preceding period to-date (2Q PTD 2021 vs 2Q PTD 2020)

Property Development

During the financial period to-date, the Group achieved revenue of RM48.18 million and PBT of RM9.93 million as compared to revenue of RM35.42 million and PBT of RM8.65 million in the preceding year quarter.

The increase in revenue and PBT for the 2Q PTD 2021 as compared to 2Q PTD 2020 was mainly due to progressive revenue and profit recognition from its ongoing development projects as they are moving into advanced stage of construction.

Property Investment

During the financial period to-date, the Group registered revenue of RM0.17 million and incurred LBT of RM8.26 million. The decrease in revenue and LBT for the 2Q PTD 2021 as compared to 2Q PTD 2020 are as mentioned above.

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

The Group's current quarter profit before tax was RM1.15 million as compared to RM0.53 million profit before tax reported in the preceding quarter ended 30 September 2020. The overall improved performance in the current quarter was mainly due to progressive profit recognition from its ongoing development projects.

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

The Group's key focus for FY 2021 continues to be 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. Despite the imposition of Movement Control Order 2.0 on 13 January 2021 and further extended to 4 March 2021, the Government has allowed the essential economic sectors such as construction site to resume operation with strict adherence to the Government's Standard Operating Procedures. Hence, all of our project sites are not disrupted and currently in advanced stage of development.

With total unbilled revenue of RM357 million as at 31 December 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.

As for Encore Melaka theatre, the Group is able to keep its theatre operating cost at a minimum with the temporary closure of theatre. The Group also in the process of re-opening the theatre and leasing the theatre hall to external production houses for seasonal programme once the Government allows the inter-state travelling for local tourists. This will help to create a new source of revenue for the Group and reduce the reliance on in-house shows.

The Group is also escalating the application process to Ministry of Health (“MOH”) for the Phase III clinical trials of the Inactivated Covid-19 vaccine developed by Shenzhen Kangtai Biological Products Co., Ltd (“SZKT”) in Malaysia. The Group targets to submit the Phase III clinical trials protocol together with the Phase I and II clinical data from SZKT to MOH by early March 2021.

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 16 February 2021, (the latest practicable date (“LPD”) which is not earlier than 7 days from the date of issue of this interim financial report):-

(i) On 4 December 2020, the Company entered into a heads of agreement (“HOA”) with Shenzhen Kangtai Biological Products Co., Ltd (“SZKT”) for a proposed collaboration in relation to the development and exclusive commercialisation (i.e. marketing, distribution and sale) of its Inactivated Covid-19 Vaccine in Malaysia. In accordance to the HOA, the Company (if applicable) or any of its subsidiaries, will enter into a definitive commercialization agreement with SZKT in respect to the proposed collaboration within the agreed period.

On 9 February 2021, YTB Healthcare Sdn Bhd (“YTBH”), a subsidiary of the Company has entered into Phase III Clinical and Product Procurement Agreement (“Definitive Agreement”) with SZKT in relation to the Phase III clinical trials and subsequent exclusive commercialisation of its Inactivated Covid-19 Vaccine (“Vaccine”) in Malaysia.

YTBH is required to obtain the approval for the Phase III clinical trials from the Ethics Committee of Ministry of Health, thereafter from the National Pharmaceutical Regulatory Authority of the import license for the purpose of importation of the trial materials before the commencement of the Phase III clinical trials.

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

(i) Proceeds totalling RM9 million were raised under the first tranche of the Private Placement exercise carried out in the second quarter of the financial year ending 30 June 2021 which was completed on 23 December 2020. 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:			
- Impression City	5,805	(3,870)	1,935
- Impression U-Thant	1,300	-	1,300
Working capital	1,800	(1,631)	169
Defray estimated expenses	95	(95)	-
Total	9,000	(5,596)	3,404

B6. Material Litigation

The Group was not engaged in any material litigation as at 16 February 2021 (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 December 2020.

B8. Taxation

	3 Months Ended		6 Months Ended	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Income tax				
- current quarter/period	<u>456</u>	<u>1,079</u>	<u>547</u>	<u>937</u>
Tax expenses for the period	<u>456</u>	<u>1,079</u>	<u>547</u>	<u>937</u>

The Group’s effective tax rate for 2Q 2021 and 2Q PTD 2021 is higher than the statutory tax rate mainly due to certain non-deductible expenses.

B9. Group Borrowings

	As at 31.12.2020 (RM'000)
<u>Current</u>	
Bank overdraft (unsecured)	25,361
Term loans (secured)	44,579
	<u>69,940</u>
<u>Non-Current</u>	
Term loans (secured)	128,505
Total	<u>128,505</u>

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

B10. Notes to the Statement of Comprehensive Income

	3 Months Ended 31.12.2020 RM'000	6 Months Ended 31.12.2020 RM'000
Notes to the Statement of Comprehensive		
Income comprises:-		
Interest income	8	15
Gain on disposal of property, plant, equipment	14	14
Interest expenses	(1,547)	(2,826)
Depreciation of property, plant, equipment	(1,465)	(3,048)
Amortisation of intangible assets	(1,672)	(3,344)
Depreciation of right-of-use assets	(114)	(230)

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		6 Months Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) attributable to equity holders of the Company	<u>690</u>	<u>(6,039)</u>	<u>1,127</u>	<u>(5,865)</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,051,979</u>	<u>798,435</u>	<u>1,015,927</u>	<u>717,988</u>
Basic earnings/(loss) per share attributable to equity holders of the Company (Sen)	<u>0.07</u>	<u>(0.76)</u>	<u>0.11</u>	<u>(0.82)</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		6 Months Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) attributable to equity holders of the Company	<u>690</u>	<u>(6,039)</u>	<u>1,127</u>	<u>(5,865)</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,051,979</u>	<u>798,435</u>	<u>1,015,927</u>	<u>717,988</u>
Effect of conversion of ICPS ('000)	<u>102,578</u>	<u>136,353</u>	<u>102,578</u>	<u>136,353</u>
Adjusted weighted average number of ordinary shares ('000)	<u>1,154,557</u>	<u>934,788</u>	<u>1,118,505</u>	<u>854,341</u>
Diluted earnings/(loss) per share attributable to equity holders of the Company (Sen)	<u>0.06</u>	<u>(0.65)</u>	<u>0.10</u>	<u>(0.69)</u>

By Order of the Board,
Datuk Wira Boo Kuang Loon
Executive Director / Chief Executive Officer
Date: 23 February 2021