

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

3 MONTHS ENDED

	30.09.2021 (RM'000)	30.09.2020 (RM'000)
Revenue	4,856	43,454
Cost of sales	<u>(7,647)</u>	<u>(42,362)</u>
Gross (loss)/profit	(2,791)	1,092
Other income	131	4,112
Other expenses	<u>(1,456)</u>	<u>(3,397)</u>
Operating (loss)/profit	(4,116)	1,807
Finance costs	<u>(1,360)</u>	<u>(1,279)</u>
(Loss)/Profit before tax	(5,476)	528
Taxation	<u>(84)</u>	<u>(91)</u>
(Loss)/Profit for the period	(5,560)	437
Other comprehensive income, net of tax	<u>-</u>	<u>-</u>
Total comprehensive (expense)/income for the period	<u><u>(5,560)</u></u>	<u><u>437</u></u>
Net (loss)/profit attributable to:		
Equity holders of the Company	(5,560)	437
Non-controlling interests	<u>-</u>	<u>-</u>
	<u><u>(5,560)</u></u>	<u><u>437</u></u>
Total comprehensive (expense)/income attributable to:		
Equity holders of the Company	(5,560)	437
Non-controlling interests	<u>-</u>	<u>-</u>
	<u><u>(5,560)</u></u>	<u><u>437</u></u>
(Loss)/Earnings per share attributable to equity holders of the Company (sen)		
- Basic	<u><u>(0.41)</u></u>	<u><u>0.04</u></u>
- Diluted	<u><u>N/A</u></u>	<u><u>0.04</u></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 2021)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	(Unaudited) As at 30.09.2021 RM'000	(Audited) As at 30.06.2021 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	468,977	468,884
Right-of-use assets	1,840	1,956
Intangible assets	145,700	147,372
Deferred tax assets	1,720	1,720
	<u>618,237</u>	<u>619,932</u>
Current Assets		
Inventories	287,338	285,025
Contract costs	24,385	24,539
Contract assets	2,986	3,900
Trade receivables	25,642	25,874
Other receivables	91,735	96,137
Current tax assets	1,312	1,285
Cash and cash equivalents	2,183	2,780
	<u>435,581</u>	<u>439,540</u>
TOTAL ASSETS	<u>1,053,818</u>	<u>1,059,472</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital		
Ordinary shares	665,539	665,539
Irredeemable convertible preference shares	20,945	20,945
Reserves		
Accumulated losses	(113,796)	(108,236)
	<u>572,688</u>	<u>578,248</u>
Non-controlling interests	281	281
Total Equity	<u>572,969</u>	<u>578,529</u>
Non-current Liabilities		
Lease liabilities	571	564
Trade payables	866	1,732
Loans and borrowings	147,911	148,893
	<u>149,348</u>	<u>151,189</u>
Current Liabilities		
Contract liabilities	46,878	39,979
Trade payables	113,650	108,921
Other payables	121,738	132,762
Lease liabilities	248	381
Bank overdrafts	24,058	23,609
Loans and borrowings	23,951	23,207
Current tax liabilities	978	895
	<u>331,501</u>	<u>329,754</u>
Total Liabilities	<u>480,849</u>	<u>480,943</u>
TOTAL EQUITY AND LIABILITIES	<u>1,053,818</u>	<u>1,059,472</u>
Net Assets per share (RM)	0.42	0.43

(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 2021)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	3 months ended 30.09.2021 (RM'000)	3 months ended 30.09.2020 (RM'000)
Cash flows from operating activities		
(Loss)/Profit before taxation	(5,476)	528
Adjustments for:-		
Non-cash items	3,350	3,414
Non-operating items	1,359	1,271
Operating (loss)/profit before changes in working capital	(767)	5,213
Changes in working capital		
Inventories	(2,313)	15,406
Contract costs	154	(593)
Contract assets	914	(2,177)
Receivables	4,634	(34,960)
Contract liabilities	6,899	22,879
Payables	(7,162)	555
Cash generated from operations	2,359	6,323
Finance costs	(1,360)	(1,279)
Interest income	1	7
Tax paid	(27)	(154)
Net cash generated from operating activities	973	4,897
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,655)	(3,499)
Net cash (used in) investing activities	(1,655)	(3,499)
Cash flows from financing activities		
Net proceeds from issuance of ordinary shares	-	2,375
Drawdown of loans and borrowings	1,446	-
Repayment of lease liability	(125)	(180)
Repayment of loans and borrowings	(1,685)	(10,233)
Net cash (used in) financing activities	(364)	(8,038)
Net (decrease) in cash & cash equivalents	(1,046)	(6,640)
Cash and cash equivalents at beginning of period	(20,829)	(16,274)
Effect of exchange rate changes on the balance of cash held in foreign currencies	-	(44)
Cash and cash equivalents at end of period	(21,875)	(22,958)
Cash and cash equivalents comprise:		
Cash and bank balances	2,183	7,497
Bank overdraft	(24,058)	(30,455)
	(21,875)	(22,958)

(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 2021)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	←— Attributable to equity holders of the Company —→					
	←— Non-distributable —→		Distributable		Non-controlling interests	Total equity
	Ordinary shares (RM'000)	Irredeemable convertible preference shares (RM'000)	Retained earnings/ (Accumulated losses) (RM'000)	Total (RM'000)		
At 1 July 2020	517,437	97,159	(97,498)	517,098	(2)	517,096
Effect of adoption of IFRIC Agenda						
Decision of MFRS 123	-	-	(2,447)	(2,447)	-	(2,447)
At 1 July 2020, as restated	517,437	97,159	(99,945)	514,651	(2)	514,649
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	(99,508)	517,463	(2)	517,461
At 1 July 2021	665,539	20,945	(108,236)	578,248	281	578,529
Total comprehensive expense for the period	-	-	(5,560)	(5,560)	-	(5,560)
At 30 September 2021	665,539	20,945	(113,796)	572,688	281	572,969

(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 2021)

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 2021.

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 2021.

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 2021 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 2021.

A6. Changes in Estimates

There were no material changes in estimates for the financial period ended 30 September 2021.

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 2021.

A8. Dividends Paid

There was no payment of dividend during the financial period ended 30 September 2021.

A9. Changes in Composition of the Group

There were no changes in the composition of the Group during the current financial period except for the incorporation of YTB (Singapore) Pte. Ltd. (“YTBSG”) in Singapore as a 100% owned subsidiary of the Company on 7 September 2021. YTBSG has an issued and paid up share capital of SGD1.00 comprising 1 ordinary share.

A10. Contingent Liabilities

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

A11. Commitments

Approved and contracted for:

Commitment for construction of property, plant and equipment

**As at
30.09.2021
RM'000**

44,101

=====

A12. Significant Related Party Transactions

There were no significant related party transactions during the financial period ended 30 September 2021.

A13. Segment Reporting

The segmental analysis for the financial period ended 30 September 2021 is as follows:

	Property development RM'000	Property investment RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
External sales	4,799	5	55	(3)	4,856
Inter-segment	-	-	2,460	(2,460)	-
Total	4,799	5	2,515	(2,463)	4,856
Gross profit/(loss)	762	(3,557)	2,467	(2,463)	(2,791)
Other income	78	52	1	-	131
Other expenses	(730)	(427)	(2,762)	2,463	(1,456)
Operating profit/(loss)	110	(3,932)	(294)	-	(4,116)
Finance costs					(1,360)
Loss before tax					(5,476)
Taxation					(84)
Loss after tax					(5,560)
Non-controlling interest					-
Loss for the period					(5,560)
Other information					
Segment assets	447,528	582,722	20,536	-	1,050,786
Unallocated corporate assets					3,032
Total consolidated corporate assets					<u>1,053,818</u>
Segment liabilities	238,686	209,007	32,178	-	479,871
Unallocated corporate liabilities					978
Total consolidated corporate liabilities					<u>480,849</u>

A14. Material Events subsequent to the End of Financial Period

There were no material events after 30 September 2021 till 16 November 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 are analysed as follows:

	3 MONTHS ENDED		
	30.09.2021 RM'000	30.09.2020 RM'000	Changes RM'000
Revenue			
Property Development	4,799	43,434	(38,635)
Property Investment	3	20	(17)
Other Operations	54	-	54
	4,856	43,454	(38,598)
(Loss)/Profit Before Tax			
Property Development	(614)	5,492	(6,106)
Property Investment	(4,863)	(4,964)	101
Other Operations	1	-	1
	(5,476)	528	(6,004)

(a) Property Development

The Group recorded revenue of RM4.80 million and LBT of RM0.61 million in the current quarter ended 30 September 2021 as compared to revenue of RM43.43 million and PBT of RM5.49 million in the preceding year quarter.

The significant decrease in revenue and LBT incurred for the current quarter from the property development segment was mainly due to the implementation of the Movement Control Order (“MCO”) 3.0 in May 2021 followed by the Full MCO (“FMCO”) in June 2021 which caused disruption of site work for all on-going development projects and consequently affected the profit recognition.

(b) Property Investment

Encore Melaka theatre remains closed during the current quarter under review.

The LBT of RM4.86 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 loss before tax was RM5.48 million as compared to RM5.25 million loss before tax reported in the preceding quarter ended 30 June 2021. The financial performance remains weak in the current quarter mainly due to the imposition of MCO and FMCO which had disrupted the site construction progress and consequently affected the profit recognition.

B3. Prospects for the Current Financial Year (“FY 2022”)

In line with the successful implementation of mass national vaccination programme and broader reopening of the economy by the Government, the Group expects the economic momentum to pick up in FY 2022.

In the near term, the domestic property market is expected to remain soft, owing to property buyers maintain cautious, the existing overhang condition on the property market and stringent lending approach by banks. Nonetheless, the Group’s strategy is to place more emphasis to complete all the ongoing development projects, namely The Apple, Amber Cove, Impression U-Thant and The Dawn. With total unbilled revenue of RM284.78 million as at 30 September 2021, the Group expects its improvement in earnings in FY 2022.

The tourism market, meanwhile is expected to see a gradual recovery in terms of tourist traffic in FY 2022, with the opening of inter-state travel and international borders by certain countries. The re-opening of Encore Melaka theatre is dependent on the successful containment of the pandemic within the country. Amidst this uncertainty, the theatre remains closed for first half of FY 2022 and the Group will continue to implement cost savings measure and keep its theatre operating cost at a minimum. The Group’s plan of monetisation of Encore Melaka theatre, such as through digital exchange platform remains on track post acquisition of Huobi Labuan Limited as subsidiary of the Group.

Whereas both the Group’s diversification plans into vaccine distribution and gold mining businesses are expected to contribute positively to the Group’s results in FY 2022. The Group’s strategic partner, Shenzhen Kangtai Biological Products Co., Ltd is in the midst of gathering the interim data from the international clinical trial and subject to the approval of conditional registration of the KCONVAC vaccine by the National Pharmaceutical Regulatory Agency, the Group expects to distribute and sale of the said vaccine in the beginning of 2022.

For its gold mining operation, the Group has resumed the exploration works and the production will commence in phases in FY 2022. This will contribute positively to the Group’s financial results for the financial year ending 30 June 2022.

B4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

B5. Status of Corporate Proposals

The following are the corporate proposals that have been announced by the Company and which were not completed as at 16 November 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 28 October 2021, the Company entered into a conditional subscription agreement with RHB Trustees Berhad as trustee for Areca Strategic Income Fund 7.0 (“Subscriber”) in relation to the Proposed Issuance of Redeemable Convertible Preference Share (“RCPS”). The Proposed Issuance of RCPS entails the issuance of up to 180,000,000 RCPS at an issue price of RM1.00 per RCPS amounting to an aggregate principal amount of up to RM180.00 million to the Subscriber.

The Proposed Issuance of RCPS is subject to the approval of relevant authorities and the shareholders of the Company at an Extraordinary General Meeting. Barring any unforeseen circumstances, the Company expects the first sub-tranche of Tranche 1 of the RCPS to be completed in the first quarter of 2022.

B6. Material Litigation

The Group was not engaged in any material litigation as at 16 November 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 30 September 2021.

B8. Taxation

	3 Months Ended	
	30.09.2021	30.09.2020
	RM'000	RM'000
Income tax		
- current quarter	84	91
Tax expenses for the quarter	<u>84</u>	<u>91</u>

The Group’s effective tax rate for the current quarter is lower than the statutory tax rate mainly due to deferred tax assets not recognized for subsidiaries who are at loss position.

B9. Group Borrowings

	As at
	30.09.2021
	(RM'000)
<u>Current</u>	
Bank overdraft (unsecured)	24,058
Term loans (secured)	<u>23,951</u>
	48,009
<u>Non-Current</u>	
Term loans (secured)	<u>147,911</u>
Total	<u>195,920</u>

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

B10. Notes to the Statement of Comprehensive Income

	3 Months Ended 30.09.2021 RM'000	3 Months Ended 30.09.2020 RM'000
Notes to the Statement of Comprehensive Income comprises:-		
Interest income	1	7
Interest expenses	(1,360)	(1,279)
Depreciation of property, plant, equipment	(1,562)	(1,583)
Amortisation of intangible assets	(1,672)	(1,672)
Depreciation of right-of-use assets	(116)	(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. (Loss)/Earnings Per Share

a. Basic

(Loss)/Earnings per share has been calculated by dividing the Group's (loss)/profit for the current quarter attributable to equity holders of the Company by the weighted average number of shares in issue during the financial period.

	3 Months Ended 30 09.2021 RM'000	30 09.2020 RM'000
Net (loss)/profit attributable to equity holders of the Company	<u>(5,560)</u>	<u>437</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,348,464</u>	<u>979,875</u>
Basic (loss)/earnings per share attributable to equity holders of the Company (Sen)	<u>(0.41)</u>	<u>0.04</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 conversion of irredeemable convertible preference shares ("ICPS") and adjusted for the number of such shares that would have been issued at fair value.

Diluted loss per share of the Group for the current quarter was not presented as the effect of assumed subscription of new ordinary shares is anti-dilutive.

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