

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021

	3 MONTHS ENDED		6 MONTHS ENDED	
	31.12.2021 (RM'000)	31.12.2020 (RM'000)	31.12.2021 (RM'000)	31.12.2020 (RM'000)
Revenue	17,180	4,898	22,036	48,352
Cost of sales	<u>(17,582)</u>	<u>(9,506)</u>	<u>(25,229)</u>	<u>(51,868)</u>
Gross loss	(402)	(4,608)	(3,193)	(3,516)
Other income	2,977	8,565	3,108	12,677
Other expenses	<u>(3,711)</u>	<u>(1,264)</u>	<u>(5,167)</u>	<u>(4,661)</u>
Operating (loss)/profit	(1,136)	2,693	(5,252)	4,500
Impairment loss	(80,561)	-	(80,561)	-
Finance costs	<u>(1,382)</u>	<u>(1,547)</u>	<u>(2,742)</u>	<u>(2,826)</u>
(Loss)/Profit before tax	<u>(83,079)</u>	<u>1,146</u>	<u>(88,555)</u>	<u>1,674</u>
Taxation	<u>(1,170)</u>	<u>(456)</u>	<u>(1,254)</u>	<u>(547)</u>
(Loss)/Profit for the period	<u>(84,249)</u>	<u>690</u>	<u>(89,809)</u>	<u>1,127</u>
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (expense)/income for the period	<u><u>(84,249)</u></u>	<u><u>690</u></u>	<u><u>(89,809)</u></u>	<u><u>1,127</u></u>
Net (Loss)/Profit attributable to :				
Equity holders of the Company	(84,238)	690	(89,798)	1,127
Non-controlling interest	<u>(11)</u>	<u>-</u>	<u>(11)</u>	<u>-</u>
	<u><u>(84,249)</u></u>	<u><u>690</u></u>	<u><u>(89,809)</u></u>	<u><u>1,127</u></u>
Total comprehensive (expense)/income attributable to:				
Equity holders of the Company	(84,238)	690	(89,798)	1,127
Non-controlling interest	<u>(11)</u>	<u>-</u>	<u>(11)</u>	<u>-</u>
	<u><u>(84,249)</u></u>	<u><u>690</u></u>	<u><u>(89,809)</u></u>	<u><u>1,127</u></u>
(Loss)/Earnings per share attributable to equity holders of the Company (sen)				
-Basic	<u>(6.25)</u>	<u>0.07</u>	<u>(6.66)</u>	<u>0.11</u>
-Diluted	<u>N/A</u>	<u>0.06</u>	<u>N/A</u>	<u>0.10</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 31 DECEMBER 2021

	(Unaudited) As at 31.12.2021 RM'000	(Audited) As at 30.06.2021 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	399,632	468,884
Right-of-use assets	1,666	1,956
Intangible assets	144,028	147,372
Deferred tax assets	1,720	1,720
	<u>547,046</u>	<u>619,932</u>
Current Assets		
Inventories	284,401	285,025
Contract costs	24,110	24,539
Contract assets	-	3,900
Trade receivables	54,274	25,874
Other receivables	84,366	96,137
Current tax assets	613	1,285
Cash and cash equivalents	5,481	2,780
	<u>453,245</u>	<u>439,540</u>
TOTAL ASSETS	<u><u>1,000,291</u></u>	<u><u>1,059,472</u></u>
EQUITY AND LIABILITIES		
Equity		
Share Capital		
Ordinary shares	665,557	665,539
Irredeemable convertible preference shares	20,926	20,944
Reserves		
Accumulated losses	(198,034)	(108,236)
	<u>488,449</u>	<u>578,247</u>
Non-controlling interests	270	281
Total Equity	<u><u>488,719</u></u>	<u><u>578,528</u></u>
Non-Current Liabilities		
Lease liabilities	459	564
Trade payables	-	1,732
Loans and borrowings	146,954	148,893
	<u>147,413</u>	<u>151,189</u>
Current Liabilities		
Contract liabilities	77,611	39,979
Trade payables	119,868	108,921
Other payables	115,948	132,763
Lease liabilities	180	381
Bank overdrafts	24,010	23,609
Loans and borrowings	24,388	23,207
Current tax liabilities	2,154	895
	<u>364,159</u>	<u>329,755</u>
Total Liabilities	<u><u>511,572</u></u>	<u><u>480,944</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,000,291</u></u>	<u><u>1,059,472</u></u>
Net Assets per share (RM)	0.36	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 31 DECEMBER 2021

	6 months ended 31.12.2021 (RM'000)	6 months ended 31.12.2020 (RM'000)
Cash flows from operating activities		
(Loss)/Profit before taxation	(88,555)	1,674
Adjustments for:-		
Non-cash items	79,627	6,622
Non-operating items	2,740	2,783
Operating (loss)/profit before changes in working capital	(6,188)	11,079
Changes in working capital		
Inventories	624	(19,342)
Contract costs	429	(3,249)
Contract assets	3,900	2,227
Receivables	(16,629)	(28,399)
Contract liabilities	37,631	51,815
Payables	(7,599)	(4,481)
Cash generated from operations	12,168	9,650
Finance costs	(2,742)	(2,812)
Interest income	2	15
Net tax refund/(paid)	678	(334)
Net cash generated from operating activities	10,106	6,519
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,880)	(10,740)
Proceeds from disposal of property, plant and equipment	138	14
Net cash used in investing activities	(6,742)	(10,726)
Cash flows from financing activities		
Net proceeds from issuance of ordinary shares	-	17,406
Drawdown of loans and borrowings	4,893	1,823
Repayment of lease liability	(305)	(395)
Repayment of loans and borrowings	(5,652)	(18,152)
Net cash (used in)/generated from financing activities	(1,064)	682
Net increase/(decrease) in cash & cash equivalents	2,300	(3,525)
Cash and cash equivalents at beginning of period	(20,829)	(16,274)
Cash and cash equivalents at end of period	(18,529)	(19,799)
Cash and cash equivalents comprise:		
Cash and bank balances	5,481	5,562
Bank overdraft	(24,010)	(25,361)
	(18,529)	(19,799)

(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 31 DECEMBER 2021

	←— Attributable to equity holders of the Company —→			Total (RM'000)	Non- controlling interests (RM'000)	Total equity (RM'000)
	←— Non-distributable —→	Distributable				
	Ordinary shares (RM'000)	Irredeemable convertible preference shares (RM'000)	Retained earnings/ (Accumulated losses) (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	-	-	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	549,939	82,063	(98,818)	533,184	(2)	533,182
At 1 July 2021	665,539	20,944	(108,236)	578,247	281	578,528
Total comprehensive expense for the period	-	-	(89,798)	(89,798)	(11)	(89,809)
Issuance of ordinary shares						
- exercise of ICPS conversion rights	18	(18)	-	-	-	-
At 31 December 2021	665,557	20,926	(198,034)	488,449	270	488,719

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements 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 31 December 2021.

A6. Changes in Estimates

There were no material changes in estimates for the financial period ended 31 December 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 31 December 2021 except for the conversion of 22,977 irredeemable convertible preference (“ICPS”) shares into 22,977 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 2021.

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 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

	As at 31.12.2021 RM’000
Approved and contracted for:	
Commitment for construction of property, plant and equipment	41,332
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A12. Significant Related Party Transactions

There were no significant related party transactions during the financial period ended 31 December 2021.

A13. Segment Reporting

The segmental analysis for the financial period ended 31 December 2021 is as follows:

	Property development RM'000	Property investment RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
External sales	21,954	21	66	(5)	22,036
Inter-segment	-	-	4,920	(4,920)	-
Total	21,954	21	4,986	(4,925)	22,036
Gross profit/(loss)	3,936	(7,110)	4,906	(4,925)	(3,193)
Other income	2,603	464	41	-	3,108
Other expenses	(3,380)	(615)	(6,097)	4,925	(5,167)
Operating profit/(loss)	3,159	(7,261)	(1,150)	-	(5,252)
Impairment loss					(80,561)
Finance costs					(2,742)
Loss before tax					(88,555)
Taxation					(1,254)
Loss after tax					(89,809)
Non-controlling interest					11
Loss for the period					(89,798)
Other information					
Segment assets	465,546	511,288	21,124	-	997,958
Unallocated corporate assets					2,333
Total consolidated corporate assets					1,000,291
Segment liabilities	271,937	205,209	32,272	-	509,418
Unallocated corporate liabilities					2,154
Total consolidated corporate liabilities					511,572

A14. Material Events subsequent to the End of Financial Period

There were no material events after 31 December 2021 till 17 February 2022 (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		
	31.12.21 RM'000	31.12.20 RM'000	Changes RM'000	31.12.21 RM'000	31.12.20 RM'000	Changes RM'000
Revenue						
Property Development	17,155	4,748	12,407	21,954	48,182	(26,228)
Property Investment	13	150	(137)	16	170	(154)
Other Operations	12	-	12	66	-	66
	17,180	4,898	12,282	22,036	48,352	(26,316)
Profit/(Loss) From Operations						
Property Development	1,781	4,441	(2,660)	1,167	9,933	(8,766)
Property Investment	(4,262)	(3,295)	(967)	(9,125)	(8,259)	(866)
Other Operations	(37)	-	(37)	(36)	-	(36)
	(2,518)	1,146	(3,664)	(7,994)	1,674	(9,668)
Impairment Loss	(80,561)	-	(80,561)	(80,561)	-	(80,561)
Profit/(Loss) Before Tax	(83,079)	1,146	(84,225)	(88,555)	1,674	(90,229)

(a) Performance of the current quarter against the same quarter in the preceding year (2Q 2022 vs 2Q 2021)

Property Development

The Group recorded revenue of RM17.16 million and profit of RM1.78 million for the current quarter ended 31 December 2021 as compared to revenue of RM4.75 million and profit of RM4.44 million in the preceding year quarter.

The increase in revenue in 2Q 2022 as compared to 2Q 2021 from the property development segment was mainly due to the construction works have gradually resumed in current quarter following the transition into Phase 2 of the National Recovery Plan (“NRP”) in most of the states within the country. Despite the increase in revenue, the profit from the property development segment has decreased mainly due to the one-off recognition of the forfeiture income arising from the revocation of Sales and Purchase Agreements in 2Q 2021.

Property Investment

Encore Melaka theatre remains closed during the current quarter under review. The revenue recognised in 2Q 2022 was represented by rental income.

Due to zero ticket sales, the loss incurred of RM4.26 million came mainly from the non-operating expenses such as depreciation of theatre building, amortisation of intangible assets and finance cost incurred.

B1. Review of Group Performance (cont'd)

(a) Performance of the current quarter against the same quarter in the preceding year (2Q 2022 vs 2Q 2021) (cont'd)

Impairment Loss

Amidst the current pandemic and the tourism outlook remains uncertain, the Group recognised impairment loss on hotel building amounting to RM73.00 million post completion of the construction and impairment loss on other receivables of RM7.56 million in the current quarter.

(b) Performance of the current period to-date against the preceding period to-date (2Q PTD 2022 vs 2Q PTD 2021)

Property Development

During the financial period to-date, the Group achieved revenue of RM21.95 million and profit of RM1.17 million as compared to revenue of RM48.18 million and PBT of RM9.93 million in the preceding year quarter.

The overall weaker financial performance in 2Q PTD 2022 as compared to 2Q PTD 2021 was mainly due to lower progress in terms revenue recognition following the implementation of MCO 3.0 and FMCO in June 2021 which had disrupted the construction works for all of the Group's on-going development projects.

Property Investment

The revenue and loss incurred during the financial period to-date are as mentioned above.

Impairment Loss

The impairment loss recognised for the financial period to-date is 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 was RM83.08 million as compared to RM5.48 million loss before tax reported in the preceding quarter ended 30 September 2021. The significant increase in loss before tax in the current quarter was mainly due to the recognition of impairment loss on hotel building and other receivables amounting to RM73.00 million and RM7.56 million respectively.

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

For FY 2022, the Group's strategy is to stay focus completing all of its on-going development projects. The Group had completed and delivered vacant possession of The Apple in December 2021. Amber Cove and Impression U-Thant are also on track to complete and deliver vacant possession by end of FY 2022. With total unbilled revenue of RM279.81 million as at 31 December 2021, the Group expects improvement in its earnings in FY 2022.

Encore Melaka theatre is targeted to re-open towards last quarter of FY 2022 as the country is heading to NRP stage with inter-state travel allowed and Malaysia's National Recovery Council has recommended for re-opening of the country's borders completely for all foreign visitors as early as 1 March 2022. The Group is also looking at leasing the theatre venue for external events. This is to ensure that the Group can generate some additional income to cover the theatre operating cost.

Whereas for the new venture into vaccine distribution, the Group's strategic partner, Shenzhen Kangtai Biological Products Co., Ltd is in the midst of gathering the interim data from international clinical trial such as Phillipines and Ukraine. At the meantime, the Group is exploring the distribution of other healthcare products in order to generate diversified revenue stream for the Group

As for gold mining operation, the production will commence in March 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

There were no other corporate proposals that have been announced by the Company and which were not completed as at 17 February 2022 (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 17 February 2022 (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 2021.

B8. Taxation

	3 Months Ended		6 Months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current quarter/period	1,170	456	1,254	547
Tax expenses for the period	<u>1,170</u>	<u>456</u>	<u>1,254</u>	<u>547</u>

The Group's effective tax rate for 2Q PTD 2022 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 31.12.2021 (RM'000)
<u>Current</u>	
Bank overdraft (unsecured)	24,010
Term loans (secured)	<u>24,388</u>
	48,398
<u>Non-Current</u>	
Term loans (secured)	<u>146,954</u>
Total	<u><u>195,352</u></u>

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

B10. Notes to the Statement of Comprehensive Income

	3 Months Ended 31.12.2021 RM'000	6 Months Ended 31.12.2021 RM'000
Notes to the Statement of Comprehensive		
Income comprises:-		
Interest income	1	2
Gain on disposal of property, plant and equipment	139	139
Interest expenses	(1,382)	(2,742)
Depreciation of property, plant, equipment	(1,570)	(3,132)
Amortisation of intangible assets	(1,672)	(3,344)
Depreciation of right-of-use assets	(174)	(290)
Impairment loss on property, plant and equipment	(73,000)	(73,000)
Impairment loss on other receivables	(7,561)	(7,561)

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 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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Net (loss)/profit attributable to equity holders of the Company	<u>(84,238)</u>	<u>690</u>	<u>(89,798)</u>	<u>1,127</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,348,487</u>	<u>1,051,979</u>	<u>1,348,476</u>	<u>1,015,927</u>
Basic (loss)/profit per share attributable to equity holders of the Company (Sen)	<u>(6.25)</u>	<u>0.07</u>	<u>(6.66)</u>	<u>0.11</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 and financial period to-date were not presented as the above effect is anti-dilutive.

By Order of the Board,
Datuk Wira Boo Kuang Loon
Executive Director / Chief Executive Officer
Date: 25 February 2022