

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	3 MONTHS ENDED	
	30.09.2022	30.09.2021
	(RM'000)	(RM'000)
Revenue	49,387	4,856
Cost of sales	<u>(39,325)</u>	<u>(7,647)</u>
Gross profit/(loss)	10,062	(2,791)
Other income	342	131
Other expenses	<u>(4,348)</u>	<u>(1,456)</u>
Operating profit/(loss)	6,056	(4,116)
Finance costs	<u>(3,243)</u>	<u>(1,360)</u>
Profit/(Loss) before tax	2,813	(5,476)
Taxation	<u>(1,052)</u>	<u>(84)</u>
(Profit)/Loss for the period	1,761	(5,560)
Other comprehensive income, net of tax	<u>-</u>	<u>-</u>
Total comprehensive income/(expense) for the period	<u><u>1,761</u></u>	<u><u>(5,560)</u></u>
Net profit/(loss) attributable to :		
Equity holders of the Company	1,812	(5,560)
Non-controlling interest	<u>(51)</u>	<u>-</u>
	<u><u>1,761</u></u>	<u><u>(5,560)</u></u>
Total comprehensive income/(expense) attributable to:		
Equity holders of the Company	1,812	(5,560)
Non-controlling interest	<u>(51)</u>	<u>-</u>
	<u><u>1,761</u></u>	<u><u>(5,560)</u></u>
Earnings/(Loss) per share attributable to equity holders of the Company (sen)		
-Basic	<u><u>0.57</u></u>	<u><u>(0.41)</u></u>
-Diluted	<u><u>0.55</u></u>	<u><u>N/A</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 2022)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	(Unaudited) As at 30.09.2022 RM'000	(Audited) As at 30.06.2022 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	393,366	394,902
Right-of-use assets	1,932	2,048
Deferred tax assets	6,150	6,150
	<u>401,448</u>	<u>403,100</u>
Current Assets		
Inventories	233,551	269,262
Contract costs	21,093	19,346
Contract assets	43,791	25,452
Trade receivables	20,141	21,235
Other receivables	65,607	69,524
Current tax assets	689	659
Cash and cash equivalents	396	2,151
	<u>385,268</u>	<u>407,629</u>
TOTAL ASSETS	<u>786,716</u>	<u>810,729</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital		
Ordinary shares	727,805	718,313
Irredeemable convertible preference shares	11,328	20,820
Reserves		
Accumulated losses	(453,056)	(454,868)
	<u>286,077</u>	<u>284,265</u>
Non-controlling interests	(3,622)	(3,571)
Total Equity	<u>282,455</u>	<u>280,694</u>
Non-Current Liabilities		
Lease liabilities	529	631
Loans and borrowings	148,652	148,639
	<u>149,181</u>	<u>149,270</u>
Current Liabilities		
Contract liabilities	21,657	52,977
Trade payables	90,447	79,344
Other payables	164,316	169,550
Deferred revenue	31,631	33,369
Lease liabilities	401	397
Bank overdraft	23,068	22,526
Loans and borrowings	22,065	22,135
Current tax liabilities	1,495	467
	<u>355,080</u>	<u>380,765</u>
Total Liabilities	<u>504,261</u>	<u>530,035</u>
TOTAL EQUITY AND LIABILITIES	<u>786,716</u>	<u>810,729</u>
Net Assets per share (RM)	0.75	0.20

(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 2022)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	3 months ended 30.09.2022 (RM'000)	3 months ended 30.09.2021 (RM'000)
Cash flows from operating activities		
Profit/(Loss) before taxation	2,813	(5,476)
Adjustments for:-		
Non-cash items	1,692	3,350
Non-operating items	3,230	1,359
Operating profit/(loss) before changes in working capital	<u>7,735</u>	<u>(767)</u>
Changes in working capital		
Inventories	35,711	(2,313)
Contract costs	(1,747)	154
Contract assets	(18,339)	914
Receivables	5,011	4,634
Contract liabilities	(31,320)	6,899
Payables	4,131	(7,162)
Cash generated from operations	<u>1,182</u>	<u>2,359</u>
Finance costs	(3,243)	(1,360)
Interest income	13	1
Net tax paid	(55)	(27)
Net cash (used in)/generated from operating activities	<u>(2,103)</u>	<u>973</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(39)	(1,655)
Net cash used in investing activities	<u>(39)</u>	<u>(1,655)</u>
Cash flows from financing activities		
Drawdown of loans and borrowings	1,669	1,446
Repayment of lease liabilities	(97)	(125)
Repayment of loans and borrowings	(1,727)	(1,685)
Net cash used in financing activities	<u>(155)</u>	<u>(364)</u>
Net decrease in cash & cash equivalents	<u>(2,297)</u>	<u>(1,046)</u>
Cash and cash equivalents at beginning of period	<u>(20,375)</u>	<u>(20,829)</u>
Cash and cash equivalents at end of period	<u>(22,672)</u>	<u>(21,875)</u>
Cash and cash equivalents comprise:		
Cash and bank balances	396	2,183
Bank overdraft	(23,068)	(24,058)
	<u>(22,672)</u>	<u>(21,875)</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 2022)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	←— Attributable to equity holders of the Company —→			Total	Non-controlling interests	Total equity
	←— Non-distributable —→	Distributable				
	Ordinary shares (RM'000)	Irredeemable convertible preference shares (RM'000)	Accumulated losses (RM'000)	(RM'000)	(RM'000)	(RM'000)
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
At 1 July 2022	718,313	20,820	(454,868)	284,265	(3,571)	280,694
Total comprehensive income for the period	-	-	1,812	1,812	(51)	1,761
Issuance of ordinary shares - exercise of ICPS conversion rights	9,492	(9,492)	-	-	-	-
At 30 September 2022	727,805	11,328	(453,056)	286,077	(3,622)	282,455

(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 2022)

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 2022.

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 2022.

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 2022 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 2022.

A6. Changes in Estimates

There were no material changes in estimates for the financial period ended 30 September 2022.

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 2022 except for :

- i. Conversion of 11,865,560 irredeemable convertible preference shares (“ICPS”) into 2,373,112 new consolidated ordinary shares pursuant to the exercise of conversion rights of ICPS 2016/2026; and
- ii. Completion of the issuance 92,000,000 new consolidated ordinary shares at an issue price of RM0.50 per ordinary share pursuant to the settlement of debt owing to creditors by the Group.

A8. Dividends Paid

There was no payment of dividend during the financial period ended 30 September 2022.

A9. Changes in Composition of the Group

There were no changes in the composition of the Group during the current financial period ended 30 September 2022.

A10. Contingent Liabilities

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

A11. Commitments

There were no capital commitments not provided for as at the end of the financial period ended 30 September 2022.

A12. Significant Related Party Transactions

There were no significant related party transactions during the financial period ended 30 September 2022.

A13. Segment Reporting

The segmental analysis for the financial period ended 30 September 2022 is as follows:

	Property development RM'000	Property investment RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
External sales	49,221	166	-	-	49,387
Inter-segment	-	-	2,415	(2,415)	-
Total	49,221	166	2,415	(2,415)	49,387
Gross profit/(loss)	12,764	(2,004)	1,717	(2,415)	10,062
Other income	71	140	131	-	342
Other expenses	(2,674)	(485)	(3,604)	2,415	(4,348)
Operating profit/(loss)	10,161	(2,349)	(1,756)	-	6,056
Finance costs					(3,243)
Profit before tax					2,813
Taxation					(1,052)
Profit after tax					1,761
Non-controlling interest					51
Profit for the period					1,812
Other information					
Segment assets	402,584	372,644	4,649	-	779,877
Unallocated corporate assets					6,839
Total consolidated corporate assets					786,716
Segment liabilities	356,608	111,915	34,243	-	502,766
Unallocated corporate liabilities					1,495
Total consolidated corporate liabilities					504,261

A14. Material Events subsequent to the End of Financial Period

There were no material events after 30 September 2022 till 16 November 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 are analysed as follows:

	3 MONTHS ENDED		
	30.09.22 RM'000	30.09.21 RM'000	Changes RM'000
Revenue			
Property Development	49,221	4,799	44,422
Property Investment	166	3	163
Other Operations	-	54	(54)
	49,387	4,856	44,531
Profit/(Loss) Before Tax			
Property Development	8,350	(614)	8,964
Property Investment	(3,401)	(4,863)	1,462
Other Operations	(2,136)	1	(2,137)
	2,813	(5,476)	8,289

(a) Property Development

The Group recorded revenue of RM49.22 million and PBT of RM8.35 million for the current quarter ended 30 September 2022 as compared to revenue of RM4.80 million and incurred loss of RM0.61 million in the preceding year quarter.

The significant increase in revenue and PBT in 1Q 2023 as compared to 1Q 2022 from the property development segment was mainly due to the contribution from the improved sales of completed units.

Property Investment

Since Encore Melaka theatre re-opened its door on 30 April 2022, the Group has been working with local show producers and artists to showcase their art and cultural shows, musical and concert at Encore Melaka on revenue sharing model. Revenue for the current quarter consists of rental income and our share of ticket sales. Overall, the revenue from the property investment remains weak due to low occupancy rate and lack of foreign tourists arrival as China’s zero-Covid policy continue. The loss incurred for the current quarter was mainly represented by non-operating expenses.

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

The Group’s current quarter profit before tax was RM2.81 million as compared to RM137.71 million loss before tax reported in the preceding quarter ended 30 June 2022. The overall improvement in financial performance was mainly due to the sales of completed units. The significant loss before tax recorded in the preceding quarter was mainly due to the recognition of impairment loss on hotel building, intangible assets, inventories and other receivables.

B3. Prospects for the Current Financial Year (“FY 2023”)

The Group secured additional sales of RM66 million in Q1 FY2023. The improved sales are from the Group’s effort to focus in selling the completed property units.

The Group has completed and delivered vacant possession of Amber Cove in October 2022, ahead of the contractual period. Meanwhile, Impression U-Thant is on track to be completed by first quarter of year 2023. As at 30 September 2022, the Group has total unbilled revenue of RM148 million.

However, the Group will be prudent on new launches as management acknowledges that the property market remains uncertain and continue to face challenges such as geopolitical instability, supply chain disruption, interest rate hikes and inflation, which increases the cost of living.

Since Encore Melaka theatre re-opened its door on 30 April 2022, the Group has been working with local show producers and artists to showcase their art and cultural shows, musical and concert at Encore Melaka. However, the occupancy rate of the theatre remains low due to the lack of tourists arrival as China’s zero-Covid policy continue.

On 2 December 2022, 32nd Malaysian Film Festival organized by The National Film Development Corporation Malaysia (“FINAS”) will be held at Encore Melaka. This further testify to Encore Melaka’s state-of-the-art theatre capabilities and recognition of its international standard to be a preferred venue for such a grand event.

Moving forward, the Group will continue working with various international show producers on events or shows that could boost earnings through rental income and potentially drive ancillary income from merchandise sales, accommodation and broadcasting revenue.

Courtyard by Marriott Melaka, a 287 rooms international business luxury hotel is targeted to open by end of December 2022. With the pent-up demand from the post pandemic recovery of tourism industry, especially for Melaka since it is one of the most visited cities in Malaysia, the Group is optimistic that this new hotel operation will generate additional revenue stream for the Group.

Overall, the Group expects the business environment will remain challenging for FY 2023. Nonetheless, the Group will continue to explore new property development projects such as fully integrated Assisted/Senior Living product and seize any other business opportunities that may emerge in near future.

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 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 16 November 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 30 September 2022.

B8. Taxation

	3 Months Ended	
	30.09.2022	30.09.2021
	RM'000	RM'000
Income tax		
- current quarter	1,052	84
Tax expenses for the quarter	<u>1,052</u>	<u>84</u>

The Group’s effective tax rate for the current quarter is higher 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
	30.09.2022
	(RM'000)
<u>Current</u>	
Bank overdraft (unsecured)	23,068
Term loans (secured)	<u>22,065</u>
	45,133
<u>Non-Current</u>	
Term loans (secured)	<u>148,652</u>
Total	<u>193,785</u>

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

B10. Notes to the Statement of Comprehensive Income

	3 Months Ended 30.09.2022 RM'000	3 Months Ended 30.09.2021 RM'000
Notes to the Statement of Comprehensive Income comprises:-		
Interest income	13	1
Interest expenses	(3,243)	(1,360)
Depreciation of property, plant, equipment	(1,576)	(1,562)
Amortisation of intangible assets	-	(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. Earnings/(Loss) Per Share

a. Basic

Earnings/(Loss) per share has been calculated by dividing the Group's profit/(loss) 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	
	30.09.2022	30.09.2021
	RM'000	RM'000
Net profit/(loss) attributable to equity holders of the Company	<u>1,812</u>	<u>(5,560)</u>
Weighted average number of ordinary shares in issue ('000)	<u>316,568</u>	<u>1,348,464</u>
Basic earnings/(loss) per share attributable to equity holders of the Company (Sen)	<u>0.57</u>	<u>(0.41)</u>

B11. Earnings/(Loss) Per Share (Cont'd)

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 and redeemable convertible preference shares ("ICPS" and "RCPS") and full exercise of the Warrants, 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	
	30.09.2022	30.09.2021
	RM'000	RM'000
Net profit/(loss) attributable to equity holders of the Company	<u>1,812</u>	<u>(5,560)</u>
Weighted average number of ordinary shares in issue ('000)	316,568	1,348,464
Effect of conversion of ICPS ('000)	14,160	26,181
Effect of potential exercise of Warrants ('000)	<u>-</u>	<u>-</u>
Adjusted weighted average number of ordinary shares ('000)	<u>330,728</u>	<u>1,374,645</u>
Diluted earnings/(loss) per share attributable to equity holders of the Company (Sen)	<u>0.55</u>	<u>N/A</u>

By Order of the Board,
Datuk Wira Boo Kuang Loon
Executive Director / Chief Executive Officer
Date: 23 November 2022