

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2022

	3 MONTHS ENDED		6 MONTHS ENDED	
	31.12.2022 (RM'000)	31.12.2021 (RM'000)	31.12.2022 (RM'000)	31.12.2021 (RM'000)
Revenue	29,200	17,180	78,588	22,036
Cost of sales	<u>(19,765)</u>	<u>(17,582)</u>	<u>(59,090)</u>	<u>(25,229)</u>
Gross profit/(loss)	9,435	(402)	19,498	(3,193)
Other income	1,539	2,977	1,479	3,108
Other expenses	<u>(6,580)</u>	<u>(3,711)</u>	<u>(10,526)</u>	<u>(5,167)</u>
Operating profit/(loss)	4,394	(1,136)	10,451	(5,252)
Impairment loss	-	(80,561)	-	(80,561)
Finance costs	<u>(3,557)</u>	<u>(1,382)</u>	<u>(6,801)</u>	<u>(2,742)</u>
Profit/(Loss) before tax	837	(83,079)	3,650	(88,555)
Taxation	<u>670</u>	<u>(1,170)</u>	<u>(382)</u>	<u>(1,254)</u>
(Profit)/Loss for the period	1,507	(84,249)	3,268	(89,809)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income/(expense) for the period	<u>1,507</u>	<u>(84,249)</u>	<u>3,268</u>	<u>(89,809)</u>
Net profit/(loss) attributable to :				
Equity holders of the Company	1,555	(84,238)	3,367	(89,798)
Non-controlling interest	<u>(48)</u>	<u>(11)</u>	<u>(99)</u>	<u>(11)</u>
Total comprehensive income/(expense) attributable to:	<u>1,507</u>	<u>(84,249)</u>	<u>3,268</u>	<u>(89,809)</u>
Equity holders of the Company	1,555	(84,238)	3,367	(89,798)
Non-controlling interest	<u>(48)</u>	<u>(11)</u>	<u>(99)</u>	<u>(11)</u>
	<u>1,507</u>	<u>(84,249)</u>	<u>3,268</u>	<u>(89,809)</u>
Earnings/(Loss) per share attributable to equity holders of the Company (sen)				
-Basic	<u>0.41</u>	<u>(6.25)</u>	<u>0.97</u>	<u>(6.66)</u>
-Diluted	<u>0.40</u>	<u>N/A</u>	<u>0.93</u>	<u>N/A</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 31 DECEMBER 2022

	(Unaudited) As at 31.12.2022 RM'000	(Audited) As at 30.06.2022 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	363,863	394,902
Right-of-use assets	1,815	2,048
Deferred tax assets	6,150	6,150
	<u>371,828</u>	<u>403,100</u>
Current Assets		
Inventories	221,185	269,262
Contract costs	6,720	19,346
Contract assets	15,751	25,452
Trade receivables	26,121	21,235
Other receivables	90,308	69,524
Current tax assets	719	659
Cash and cash equivalents	5,842	2,151
	<u>366,646</u>	<u>407,629</u>
TOTAL ASSETS	<u>738,474</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	(451,501)	(454,868)
	<u>287,632</u>	<u>284,265</u>
Non-controlling interests	(3,670)	(3,571)
Total Equity	<u>283,962</u>	<u>280,694</u>
Non-Current Liabilities		
Lease liabilities	433	631
Loans and borrowings	141,907	148,639
	<u>142,340</u>	<u>149,270</u>
Current Liabilities		
Contract liabilities	41,000	52,977
Trade payables	65,352	79,344
Other payables	116,301	169,550
Deferred revenue	43,298	33,369
Lease liabilities	397	397
Bank overdraft	19,998	22,526
Loans and borrowings	25,027	22,135
Current tax liabilities	799	467
	<u>312,172</u>	<u>380,765</u>
Total Liabilities	<u>454,512</u>	<u>530,035</u>
TOTAL EQUITY AND LIABILITIES	<u>738,474</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 31 DECEMBER 2022

	6 months ended 31.12.2022 (RM'000)	6 months ended 31.12.2021 (RM'000)
Cash flows from operating activities		
Profit/(Loss) before taxation	3,650	(88,555)
Adjustments for:-		
Non-cash items	786	79,627
Non-operating items	6,736	2,740
Operating profit/(loss) before changes in working capital	<u>11,172</u>	<u>(6,188)</u>
Changes in working capital		
Inventories	48,077	624
Contract costs	12,626	429
Contract assets	9,701	3,900
Receivables	7,009	(16,629)
Contract liabilities	(11,977)	37,631
Payables	(59,485)	(7,599)
Cash generated from operations	<u>17,123</u>	<u>12,168</u>
Finance costs	(6,801)	(2,742)
Interest income	64	2
Net tax (paid)/refund	(110)	678
Net cash generated from operating activities	<u>10,276</u>	<u>10,106</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(18)	(6,880)
Proceeds from disposal of property, plant and equipment	-	138
Net cash used in investing activities	<u>(18)</u>	<u>(6,742)</u>
Cash flows from financing activities		
Drawdown of loans and borrowings	3,465	4,893
Repayment of lease liabilities	(198)	(305)
Repayment of loans and borrowings	(7,306)	(5,652)
Net cash used in financing activities	<u>(4,039)</u>	<u>(1,064)</u>
Net increase in cash & cash equivalents	6,219	2,300
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>(14,156)</u>	<u>(18,529)</u>
Cash and cash equivalents comprise:		
Cash and bank balances	5,842	5,481
Bank overdraft	(19,998)	(24,010)
	<u>(14,156)</u>	<u>(18,529)</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 31 DECEMBER 2022

	←— Attributable to equity holders of the Company —→			Total	Non- controlling interests	Total equity
	←— Non-distributable —→	Irredeemable convertible preference shares	Distributable Accumulated losses			
	Ordinary shares (RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
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	<u>665,557</u>	<u>20,926</u>	<u>(198,034)</u>	<u>488,449</u>	<u>270</u>	<u>488,719</u>
At 1 July 2022	718,313	20,820	(454,868)	284,265	(3,571)	280,694
Total comprehensive income for the period	-	-	3,367	3,367	(99)	3,268
Issuance of ordinary shares - exercise of ICPS conversion rights	9,492	(9,492)	-	-	-	-
At 31 December 2022	<u>727,805</u>	<u>11,328</u>	<u>(451,501)</u>	<u>287,632</u>	<u>(3,670)</u>	<u>283,962</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 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 31 December 2022.

A6. Changes in Estimates

There were no material changes in estimates for the financial period ended 31 December 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 31 December 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 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 31 December 2022.

A9. Changes in Composition of the Group

There were no changes in the composition of the Group during the current financial period ended 31 December 2022 except for the incorporation of YTB Lifestyle Mall Sdn Bhd (“YTBLM”) as a 100% owned subsidiary of the Company on 7 November 2022. YTBLM has an issued and paid up share capital of RM1.00 comprising of 1 ordinary share.

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 31 December 2022.

A12. Significant Related Party Transactions

There were no significant related party transactions during the financial period ended 31 December 2022.

A13. Segment Reporting

The segmental analysis for the financial period ended 31 December 2022 is as follows:

	Property development RM'000	Property investment RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
External sales	78,280	308	-	-	78,588
Inter-segment	-	-	5,330	(5,330)	-
Total	78,280	308	5,330	(5,330)	78,588
Gross profit/(loss)	21,807	(1,408)	4,429	(5,330)	19,498
Other income	412	748	319	-	1,479
Other expenses	(7,981)	(892)	(6,983)	5,330	(10,526)
Operating profit/(loss)	14,238	(1,552)	(2,235)	-	10,451
Finance costs					(6,801)
Profit before tax					3,650
Taxation					(382)
Profit after tax					3,268
Non-controlling interest					99
Profit for the period					3,367
Other information					
Segment assets	379,719	343,313	8,573	-	731,605
Unallocated corporate assets					6,869
Total consolidated corporate assets					738,474
Segment liabilities	319,865	107,980	25,868	-	453,713
Unallocated corporate liabilities					799
Total consolidated corporate liabilities					454,512

A14. Material Events subsequent to the End of Financial Period

There were no material events after 31 December 2022 till 21 February 2023 (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			6 MONTHS ENDED		
	31.12.22 RM'000	31.12.21 RM'000	Changes RM'000	31.12.22 RM'000	31.12.21 RM'000	Changes RM'000
Revenue						
Property Development	29,059	17,155	11,904	78,280	21,954	56,326
Property Investment	141	13	128	308	16	292
Other Operations	-	12	(12)	-	66	(66)
	29,200	17,180	12,020	78,588	22,036	56,552
Profit/(Loss) From Operations						
Property Development	2,020	1,781	239	10,371	1,167	9,204
Property Investment	(333)	(4,262)	3,929	(3,735)	(9,125)	5,390
Other Operations	(850)	(37)	(813)	(2,986)	(36)	(2,950)
	837	(2,518)	3,355	3,650	(7,994)	11,644
Impairment Loss	-	(80,561)	80,561	-	(80,561)	80,561
Profit/(Loss) Before Tax	837	(83,079)	83,916	3,650	(88,555)	92,205

(a) Performance of the current quarter against the same quarter in the preceding year (2Q 2023 vs 2Q 2022)

Property Development

The Group recorded revenue of RM29.06 million and PBT of RM2.02 million for the current quarter ended 31 December 2022 as compared to revenue of RM17.16 million and PBT of RM1.78 million in the preceding year quarter.

The increase in revenue and PBT in 2Q 2023 as compared to 2Q 2022 from the property development segment was mainly due to the contribution from the improved sales of completed units and ongoing development projects.

Property Investment

Revenue recognized for the current quarter consists of rental income and our share of ticket sale through collaboration with local show producers and artists to showcase their art and cultural shows, musical and concert at Encore Melaka. The loss incurred for the current quarter was mainly represented by non-operating expenses which are fixed overhead in nature.

B1. Review of Group Performance (cont'd)

(b) Performance of the current period to-date against the preceding period to-date (2Q PTD 2023 vs 2Q PTD 2022)

Property Development

During the financial period to-date, the Group achieved revenue of RM78.28 million and PBT of RM10.37 million as compared to revenue of RM21.95 million and PBT of RM1.17 million in the preceding year quarter.

The overall improved financial performance in 2Q PTD 2023 as compared to 2Q PTD 2022 are as mentioned above.

Property Investment

The revenue and loss incurred during the financial period to-date 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 RM0.84 million as compared to RM2.81 million profit before tax reported in the preceding quarter ended 30 September 2022. Lower profit before tax in the current quarter was mainly due to lesser property sales during the year end festive seasons.

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

The Group secured additional property sales of RM91 million for first half of FY2023. The improved sales are from the Group's effort to focus on selling the completed property units and on-going development projects.

Following the completion of Amber Cove serviced apartments in October 2022, which is ahead of the contractual period, the Group will focus on completing the next ongoing development project, namely Impression U-Thant which is targeted to deliver vacant possession by second half of year 2023. As at 31 December 2022, the Group has total unbilled revenue of RM149 million.

The Group will continue working with various local and international show producers on events or shows at Encore Melaka that could boost earnings through rental income and potentially drive ancillary income from merchandise sales, accommodation and broadcasting revenue. In addition, the Group will collaborate with other parties to deliver immersive and interactive art and technology exhibition at Encore Melaka in order to maximise the utilisation of the theatre.

Courtyard by Marriott Melaka, a 287 rooms international business luxury hotel is targeted to open by second quarter of year 2023. With the expected 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 to remain challenging for FY 2023. Nonetheless, the Group will continue to scout for new land bank in strategic locations for joint venture arrangement and undertake any other business opportunities that may emerge.

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 21 February 2023 (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 21 February 2023 (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 2022.

B8. Taxation

	3 Months Ended		6 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current quarter	<u>(670)</u>	<u>1,170</u>	<u>382</u>	<u>1,254</u>
Tax expenses for the quarter/period	<u>(670)</u>	<u>1,170</u>	<u>382</u>	<u>1,254</u>

The Group’s effective tax rate for 2Q PTD 2023 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 31.12.2022 (RM'000)
<u>Current</u>	
Bank overdraft (unsecured)	19,998
Term loans (secured)	25,027
	<u>45,025</u>
<u>Non-Current</u>	
Term loans (secured)	141,907
Total	<u>186,932</u>

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

B10. Notes to the Statement of Comprehensive Income

	3 Months Ended 31.12.2022 RM'000	6 Months Ended 31.12.2022 RM'000
Notes to the Statement of Comprehensive Income comprises:-		
Interest income	51	64
Interest expenses	(3,557)	(6,801)
Depreciation of property, plant, equipment	(276)	(552)
Depreciation of right-of-use assets	(118)	(234)

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		6 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) attributable to equity holders of the Company	<u>1,555</u>	<u>(84,238)</u>	<u>3,367</u>	<u>(89,798)</u>
Weighted average number of ordinary shares in issue ('000)	<u>378,097</u>	<u>1,348,487</u>	<u>347,333</u>	<u>1,348,476</u>
Basic earnings/(loss) per share attributable to equity holders of the Company (Sen)	<u>0.41</u>	<u>(6.25)</u>	<u>0.97</u>	<u>(6.66)</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 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		6 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) attributable to equity holders of the Company	<u>1,555</u>	<u>(84,238)</u>	<u>3,367</u>	<u>(89,798)</u>
Weighted average number of ordinary shares in issue ('000)	378,097	1,348,487	347,333	1,348,476
Effect of conversion of ICPS ('000)	14,160	26,158	14,160	26,158
Effect of potential exercise of Warrants ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	<u>392,257</u>	<u>1,374,645</u>	<u>361,493</u>	<u>1,374,634</u>
Diluted earnings per share attributable to equity holders of the Company (Sen)	<u>0.40</u>	<u>N/A</u>	<u>0.93</u>	<u>N/A</u>

By Order of the Board,
Datuk Wira Boo Kuang Loon
Executive Director / Chief Executive Officer
Date: 28 February 2023