

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	3 MONTHS ENDED		12 MONTHS ENDED	
	30.06.2023 (RM'000)	30.06.2022 (RM'000)	30.06.2023 (RM'000)	30.06.2022 (RM'000)
Revenue	21,427	46,236	121,870	71,780
Cost of sales	<u>(25,949)</u>	<u>(67,510)</u>	<u>(95,324)</u>	<u>(102,164)</u>
Gross (loss)/profit	(4,522)	(21,274)	26,546	(30,384)
Other income	591	2,872	3,171	7,817
Other expenses	<u>(17,188)</u>	<u>(4,709)</u>	<u>(31,510)</u>	<u>(12,536)</u>
Operating loss	(21,119)	(23,111)	(1,793)	(35,103)
Impairment loss	-	(113,099)	-	(311,634)
Finance costs	<u>(3,687)</u>	<u>(1,458)</u>	<u>(13,991)</u>	<u>(5,671)</u>
Loss before tax	<u>(24,806)</u>	<u>(137,668)</u>	<u>(15,784)</u>	<u>(352,408)</u>
Taxation	<u>172</u>	<u>2,496</u>	<u>(6,114)</u>	<u>1,924</u>
Loss for the year	<u>(24,634)</u>	<u>(135,172)</u>	<u>(21,898)</u>	<u>(350,484)</u>
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive expense for the year	<u><u>(24,634)</u></u>	<u><u>(135,172)</u></u>	<u><u>(21,898)</u></u>	<u><u>(350,484)</u></u>
Net loss attributable to :				
Equity holders of the Company	(24,566)	(135,294)	(21,671)	(346,632)
Non-controlling interest	<u>(68)</u>	<u>122</u>	<u>(227)</u>	<u>(3,852)</u>
	<u><u>(24,634)</u></u>	<u><u>(135,172)</u></u>	<u><u>(21,898)</u></u>	<u><u>(350,484)</u></u>
Total comprehensive expense attributable to:				
Equity holders of the Company	(24,566)	(135,294)	(21,671)	(346,632)
Non-controlling interest	<u>(68)</u>	<u>122</u>	<u>(227)</u>	<u>(3,852)</u>
	<u><u>(24,634)</u></u>	<u><u>(135,172)</u></u>	<u><u>(21,898)</u></u>	<u><u>(350,484)</u></u>
Loss per share attributable to equity holders of the Company (sen)				
-Basic	<u>(6.50)</u>	<u>(9.91)</u>	<u>(5.97)</u>	<u>(25.38)</u>
-Diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</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 30 JUNE 2023

	(Unaudited) As at 30.06.2023 RM'000	(Audited) As at 30.06.2022 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	382,419	394,902
Right-of-use assets	1,818	2,048
Deferred tax assets	-	6,150
	<u>384,237</u>	<u>403,100</u>
Current Assets		
Inventories	226,371	269,262
Contract costs	5,347	19,346
Contract assets	-	25,452
Trade receivables	15,172	21,235
Other receivables	78,423	69,524
Current tax assets	748	659
Cash and cash equivalents	5,132	2,151
	<u>331,193</u>	<u>407,629</u>
TOTAL ASSETS	<u>715,430</u>	<u>810,729</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital		
Ordinary shares	727,885	718,313
Irredeemable convertible preference shares	11,248	20,820
Reserves		
Accumulated losses	(476,539)	(454,868)
	<u>262,594</u>	<u>284,265</u>
Non-controlling interests	(3,798)	(3,571)
Total Equity	<u>258,796</u>	<u>280,694</u>
Non-Current Liabilities		
Lease liabilities	333	631
Loans and borrowings	140,081	148,639
	<u>140,414</u>	<u>149,270</u>
Current Liabilities		
Contract liabilities	24,527	52,977
Trade payables	87,135	79,344
Other payables	122,218	169,550
Deferred revenue	34,647	33,369
Lease liabilities	472	397
Current tax liabilities	279	467
Loans and borrowings	26,270	22,135
Bank overdraft	20,672	22,526
	<u>316,220</u>	<u>380,765</u>
Total Liabilities	<u>456,634</u>	<u>530,035</u>
TOTAL EQUITY AND LIABILITIES	<u>715,430</u>	<u>810,729</u>
Net Assets per share (RM)	0.68	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 YEAR ENDED 30 JUNE 2023

	12 months ended 30.06.2023 (RM'000)	12 months ended 30.06.2022 (RM'000)
Cash flows from operating activities		
Loss before taxation	(15,784)	(352,408)
Adjustments for:-		
Non-cash items	7,842	325,201
Non-operating items	13,910	5,660
Operating profit/(loss) before changes in working capital	5,968	(21,547)
Changes in working capital		
Inventories	42,891	(18,775)
Contract costs	13,999	5,193
Contract assets	25,452	(21,552)
Receivables	4,388	10,458
Contract liabilities	(28,449)	12,997
Payables	(39,550)	41,927
Cash generated from operations	24,699	8,701
Finance costs	(13,991)	(5,671)
Interest income	82	11
Net tax (paid)/refund	(243)	573
Net cash generated from operating activities	10,547	3,614
Cash flows from investing activities		
Acquisition of subsidiary, net cash acquired	-	(2,000)
Purchase of property, plant and equipment	(150)	(51,826)
Proceeds from disposal of property, plant and equipment	15	3
Net cash used in investing activities	(135)	(53,823)
Cash flows from financing activities		
Net proceeds from issuance of ordinary shares	-	52,650
Drawdown of loans and borrowings	12,072	11,038
Repayment of lease liabilities	(398)	(506)
Repayment of loans and borrowings	(16,496)	(12,364)
Net cash (used in)/generated from financing activities	(4,822)	50,818
Net increase in cash & cash equivalents	5,590	609
Cash and cash equivalents at beginning of year	(20,375)	(20,829)
Effect of foreign exchange difference	(755)	(155)
Cash and cash equivalents at end of year	(15,540)	(20,375)
Cash and cash equivalents comprise:		
Cash and bank balances	4,718	2,151
Fixed deposits	414	-
Bank overdraft	(20,672)	(22,526)
	(15,540)	(20,375)

(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 YEAR ENDED 30 JUNE 2023

	← Attributable to equity holders of the Company →					
	← Non-distributable →			Distributable		
	Ordinary shares (RM'000)	Irredeemable convertible preference shares (RM'000)	Accumulated losses (RM'000)	Total (RM'000)	Non- controlling interests (RM'000)	Total equity (RM'000)
At 1 July 2021	665,539	20,944	(108,236)	578,247	281	578,528
Total comprehensive expense for the year	-	-	(346,632)	(346,632)	(3,852)	(350,484)
Issuance of ordinary shares						
- capitalisation of subsidiary's creditors	46,000	-	-	46,000	-	46,000
- exercise of ICPS conversion rights	124	(124)	-	-	-	-
- exercise of RCPS conversion rights	6,650	-	-	6,650	-	6,650
At 30 June 2022	<u>718,313</u>	<u>20,820</u>	<u>(454,868)</u>	<u>284,265</u>	<u>(3,571)</u>	<u>280,694</u>
At 1 July 2022	718,313	20,820	(454,868)	284,265	(3,571)	280,694
Total comprehensive expense for the year	-	-	(21,671)	(21,671)	(227)	(21,898)
Issuance of ordinary shares						
- exercise of ICPS conversion rights	9,572	(9,572)	-	-	-	-
At 30 June 2023	<u>727,885</u>	<u>11,248</u>	<u>(476,539)</u>	<u>262,594</u>	<u>(3,798)</u>	<u>258,796</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 year ended 30 June 2023.

A6. Changes in Estimates

There were no material changes in estimates for the financial year ended 30 June 2023.

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 year ended 30 June 2023 except for :

- i. Conversion of 11,965,560 irredeemable convertible preference shares (“ICPS”) into 2,393,112 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 year ended 30 June 2023.

A9. Changes in Composition of the Group

There were no changes in the composition of the Group during the current financial year ended 30 June 2023 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

	As at 30.06.2023 RM'000
Approved and contracted for:	
Commitment for acquisition of a development land and its related costs	9,000
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A12. Significant Related Party Transactions

	12 Months Ended 30.06.2023 RM'000
<i>Transaction with company which certain directors of the Company have interest:</i>	
i) Rental received for use of theatre	700
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A13. Segment Reporting

The segmental analysis for the financial year ended 30 June 2023 is as follows:

	Property development RM'000	Property investment RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
External sales	115,611	6,332	-	(73)	121,870
Inter-segment	-	-	12,660	(12,660)	-
Total	115,611	6,332	12,660	(12,733)	121,870
Gross profit/(loss)	38,222	(9,656)	10,649	(12,669)	26,546
Other income	2,394	254	523	-	3,171
Other expenses	(24,195)	(4,187)	(15,797)	12,669	(31,510)
Operating profit/(loss)	16,421	(13,589)	(4,625)	-	(1,793)
Finance costs					(13,991)
Loss before tax					(15,784)
Taxation					(6,114)
Loss after tax					(21,898)
Non-controlling interest					227
Loss for the year					(21,671)
Other information					
Segment assets	357,181	355,310	2,190	-	714,681
Unallocated corporate assets					749
Total consolidated corporate assets					715,430
Segment liabilities	321,729	109,620	25,006	-	456,355
Unallocated corporate liabilities					279
Total consolidated corporate liabilities					456,634

A14. Material Events subsequent to the End of Financial Period

There were no material events after 30 June 2023 till 17 August 2023 (the latest practicable date (“LPD”) which is not earlier than 7 days from the date of issue of this interim financial report).

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 year to-date are analysed as follows:

	3 MONTHS ENDED			12 MONTHS ENDED		
	30.06.23 RM'000	30.06.22 RM'000	Changes RM'000	30.06.23 RM'000	30.06.22 RM'000	Changes RM'000
Revenue						
Property Development	15,627	46,019	(30,392)	115,611	71,470	44,141
Property Investment	5,800	217	5,583	6,259	236	6,023
Other Operations	-	-	-	-	74	(74)
	21,427	46,236	(24,809)	121,870	71,780	50,090
Profit/(Loss) From Operations						
Property Development	(14,344)	(12,033)	(2,311)	8,428	(8,896)	17,324
Property Investment	(8,720)	(5,054)	(3,666)	(18,139)	(18,844)	705
Other Operations	(1,742)	(7,482)	5,740	(6,073)	(13,034)	6,961
	(24,806)	(24,569)	(237)	(15,784)	(40,774)	24,990
Impairment Loss	-	(113,099)	113,099	-	(311,634)	311,634
Loss Before Tax	(24,806)	(137,668)	112,862	(15,784)	(352,408)	336,624

(a) Performance of the current quarter against the same quarter in the preceding year (4Q 2023 vs 4Q 2022)

Property Development

The Group recorded revenue of RM15.63 million and LBT of RM14.34 million for the current quarter ended 30 June 2023 as compared to revenue of RM46.02 million and LBT of RM12.03 million in the preceding year quarter.

The higher revenue recognised in last financial year from the property development segment was mainly due to the additional revenue contribution from The Apple project, which was completed and handed over in last financial year with higher gross development value. Whereas the increase in LBT during 4Q 2023 was mainly due to:

- revocation of Sales and Purchase Agreements;
- provision for doubtful debts; and
- provision for liquidated ascertained damages in respect of Impression U-Thant and The Dawn development projects.

Property Investment

Courtyard by Marriott Melaka has commenced its hotel operation on 8 April 2023. The revenue recognized for the current quarter consists of hotel revenue and rental income generated from Encore Melaka Theatre.

LBT for the current quarter was mainly represented by pre-operation expenses from Courtyard by Marriott Melaka and non-operating expenses from theatre which are fixed overhead in nature.

B1. Review of Group Performance (cont'd)

(b) Performance of the current financial year to-date against the preceding financial year to-date (FY 2023 vs FY 2022)

Property Development

During the financial year to-date, the Group achieved revenue of RM115.61 million and PBT of RM8.43 million as compared to revenue of RM71.47 million and LBT of RM8.90 million in the preceding financial year to-date.

The overall improved financial performance in FY 2023 as compared to FY 2022 are mainly contributed from completion and handover of 838 units of Amber Cove serviced apartments with gross development value of RM262 million in October 2022 and sales from the completed property inventories, namely The Apple serviced apartments.

Property Investment

The revenue recognised during the financial year to-date was mainly contributed from hotel revenue and rental income generated from Encore Melaka Theatre. Despite increase in revenue during the financial year as compared to FY 2022, the LBT of RM18.14 million remain consistent with FY 2022 as Courtyard by Marriott Melaka incurred pre-operation expenses prior to its opening on 8 April 2023.

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

The Group's current quarter loss before tax was RM24.81 million as compared to RM5.37 million profit before tax reported in the preceding quarter ended 31 March 2023. The weaker financial performance for the current quarter was mainly due to:

- revocation of Sales and Purchase Agreements;
- provision for doubtful debts; and
- provision for liquidated ascertained damages in respect of Impression U-Thant and The Dawn development projects.

B3. Prospects for the Financial Year Ending 2024 ("FY 2024")

For the property segment, the Group recorded revenue of RM116 million for FY 2023, which is 62% higher than FY 2022. This is testament to the Group's tenacity to weather through this challenging economy condition by staying focus to complete all its ongoing development projects, namely The Apple serviced apartment in December 2021 followed by Amber Cove serviced apartment in October 2022 as well as to continue monetising its remaining inventories. The next on-going development project, namely Impression U-Thant is targeted to deliver vacant possession by first quarter of year 2024.

As for the property investment segment, the proactive measures undertaken by the management on Encore Melaka theatre in FY 2023 has put the Group in a strong position to tap into the pent-up demand in tourism sector. Besides serving as a one-stop solution for all event staging needs and cater for outdoor activities, the Group has collaborated with The Guangxi Institute of Arts, China to feature its acclaimed acrobatic shows at Encore Melaka

by fourth quarter of year 2023. The resumption of the daily shows at Encore Melaka is expected to contribute positively to the Group's financial results through the ticket sales. Moving forward, the Group will also collaborate with various international shows which could boost the Group's earnings through ticket sales, rental income and other ancillary income.

Aside from Encore Melaka, the Group's first international and business luxury brand under Marriott International, Courtyard by Marriott Melaka which already commenced hotel operation in April 2023 is also expected to be profitable in FY 2024. Leveraging on the Marriott's luxury hotel brand as the world's largest well-known hotel chain, Courtyard by Marriott Melaka has achieved commendable occupancy rate since its commencement of business on 8 April 2023 and generated positive cashflow to the Group. The Group is optimistic that this new hotel operation will generate additional revenue stream for the Group in FY 2024.

Overall, the Group expect the business environment to remain challenging for FY 2024, especially with the increase in the cost of borrowing and growing inflationary pressure. Nevertheless, with all the current business segments on the right track, the Group is optimistic of achieving an overall satisfactory performance for FY 2024. The Group will also continue to be cautious and seize any other business opportunities that may emerge in the 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 corporate proposals that have been announced by the Company and which were not completed as at 17 August 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 17 August 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 year ended 30 June 2023.

B8. Taxation

	3 Months Ended		12 Months Ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current quarter	(172)	(946)	177	400
- over provision in prior year	-	-	(213)	(774)
Utilisation of deferred taxation	-	(1,550)	6,150	(1,550)
Tax expenses for the quarter/year	<u>(172)</u>	<u>(2,496)</u>	<u>6,114</u>	<u>(1,924)</u>

The Group's effective tax rate for 4Q YTD 2023 is higher than the statutory tax rate mainly due to certain non-tax deductible expenses and non-recognition of deferred tax assets arising from loss making entities.

B9. Group Borrowings

	As at 30.06.2023 (RM'000)
<u>Current</u>	
Bank overdraft (unsecured)	20,672
Term loans (secured)	<u>26,270</u>
	46,942
<u>Non-Current</u>	
Term loans (secured)	<u>140,081</u>
Total	<u>187,023</u>

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

B10. Notes to the Statement of Comprehensive Income

	3 Months Ended	12 Months Ended
	30.06.2023	30.06.2023
	RM'000	RM'000
Notes to the Statement of Comprehensive		
Income comprises:-		
Interest income	13	82
Interest expenses	(3,687)	(13,991)
Depreciation of property, plant, equipment	(2,077)	(6,194)
Depreciation of right-of-use assets	(105)	(391)

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 Per Share

a. Basic

Loss per share has been calculated by dividing the Group's loss attributable to equity holders of the Company by the weighted average number of shares in issue during the financial year.

	3 Months Ended		12 Months Ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Net loss attributable to equity holders of the Company	<u>(24,566)</u>	<u>(135,294)</u>	<u>(21,671)</u>	<u>(346,632)</u>
Weighted average number of ordinary shares in issue ('000)	<u>378,114</u>	<u>1,365,249</u>	<u>362,718</u>	<u>1,366,032</u>
Basic loss per share attributable to equity holders of the Company (Sen)	<u>(6.50)</u>	<u>(9.91)</u>	<u>(5.97)</u>	<u>(25.38)</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.

Diluted earnings per share of the Group for the current quarter and financial year to-date were not presented as the Group is in loss position.

By Order of the Board,
Dato' Leong Sir Ley
Managing Director cum Chief Executive Officer
Date: 24 August 2023