

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	3 MONTHS ENDED	
	30.09.2023	30.09.2022
	(RM'000)	(RM'000)
Revenue	13,262	49,387
Cost of sales	<u>(11,299)</u>	<u>(39,325)</u>
Gross profit	1,963	10,062
Other income	330	342
Other expenses	<u>(4,849)</u>	<u>(4,348)</u>
Operating (loss)/profit	(2,556)	6,056
Finance costs	<u>(3,813)</u>	<u>(3,243)</u>
(Loss)/Profit before tax	(6,369)	2,813
Taxation	<u>(8)</u>	<u>(1,052)</u>
(Loss)/Profit for the period	(6,377)	1,761
Other comprehensive income, net of tax	<u>-</u>	<u>-</u>
Total comprehensive (expense)/income for the period	<u><u>(6,377)</u></u>	<u><u>1,761</u></u>
Net (loss)/profit attributable to :		
Equity holders of the Company	(6,320)	1,812
Non-controlling interest	<u>(57)</u>	<u>(51)</u>
	<u><u>(6,377)</u></u>	<u><u>1,761</u></u>
Total comprehensive (expense)/income attributable to:		
Equity holders of the Company	(6,320)	1,812
Non-controlling interest	<u>(57)</u>	<u>(51)</u>
	<u><u>(6,377)</u></u>	<u><u>1,761</u></u>
(Loss)/Profit per share attributable to equity holders of the Company (sen)		
-Basic	<u>(1.67)</u>	<u>0.57</u>
-Diluted	<u>N/A</u>	<u>0.55</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 2023)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	(Unaudited) As at 30.09.2023 RM'000	(Audited) As at 30.06.2023 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	379,828	382,419
Right-of-use assets	1,717	1,819
	<u>381,545</u>	<u>384,238</u>
Current Assets		
Inventories	224,108	226,371
Contract costs	5,245	5,347
Trade receivables	13,830	15,314
Other receivables	69,097	79,238
Current tax assets	443	749
Cash and cash equivalents	3,092	5,132
	<u>315,815</u>	<u>332,151</u>
TOTAL ASSETS	<u>697,360</u>	<u>716,389</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital		
Ordinary shares	727,885	727,885
Irredeemable convertible preference shares	11,248	11,248
Reserves		
Accumulated losses	(482,949)	(476,629)
	<u>256,184</u>	<u>262,504</u>
Non-controlling interests	(3,855)	(3,798)
Total Equity	<u>252,329</u>	<u>258,706</u>
Non-Current Liabilities		
Lease liabilities	227	333
Loans and borrowings	134,854	140,081
	<u>135,081</u>	<u>140,414</u>
Current Liabilities		
Contract liabilities	22,585	24,527
Trade payables	82,440	87,135
Other payables	118,719	123,267
Deferred revenue	36,387	34,647
Lease liabilities	436	472
Current tax liabilities	249	279
Loans and borrowings	27,880	26,270
Bank overdraft	21,254	20,672
	<u>309,950</u>	<u>317,269</u>
Total Liabilities	<u>445,031</u>	<u>457,683</u>
TOTAL EQUITY AND LIABILITIES	<u>697,360</u>	<u>716,389</u>
Net Assets per share (RM)	0.67	0.68

(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 2023)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	3 months ended 30.09.2023 (RM'000)	3 months ended 30.09.2022 (RM'000)
Cash flows from operating activities		
(Loss)/Profit before taxation	(6,369)	2,813
Adjustments for:-		
Non-cash items	2,709	1,692
Non-operating items	4,606	3,230
Operating profit before changes in working capital	946	7,735
Changes in working capital		
Inventories	2,263	35,711
Contract costs	102	(1,747)
Contract assets	-	(18,339)
Receivables	9,927	5,011
Contract liabilities	(1,942)	(31,320)
Payables	(6,593)	4,131
Cash generated from operations	4,703	1,182
Finance costs	(3,807)	(3,243)
Interest income	9	13
Net tax refund/(paid)	268	(55)
Net cash generated from/(used in) operating activities	1,173	(2,103)
Cash flows from investing activities		
Purchase of property, plant and equipment	(15)	(39)
Net cash used in investing activities	(15)	(39)
Cash flows from financing activities		
Repayment of lease liabilities	(142)	(97)
Net repayment of loans and borrowings	(3,618)	(58)
Net cash used in financing activities	(3,760)	(155)
Net increase in cash & cash equivalents	(2,602)	(2,297)
Cash and cash equivalents at beginning of period	(15,540)	(20,375)
Effect of foreign exchange difference	(20)	-
Cash and cash equivalents at end of period	(18,162)	(22,672)
Cash and cash equivalents comprise:		
Cash and bank balances	2,176	396
Fixed deposits	916	-
Bank overdraft	(21,254)	(23,068)
	(18,162)	(22,672)

(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 2023)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 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 2022	718,313	20,820	(454,868)	284,265	(3,571)	280,694
Total comprehensive expense 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	<u>727,805</u>	<u>11,328</u>	<u>(453,056)</u>	<u>286,077</u>	<u>(3,622)</u>	<u>282,455</u>
At 1 July 2023	727,885	11,248	(476,629)	262,504	(3,798)	258,706
Total comprehensive expense for the period	-	-	(6,320)	(6,320)	(57)	(6,377)
At 30 September 2023	<u>727,885</u>	<u>11,248</u>	<u>(482,949)</u>	<u>256,184</u>	<u>(3,855)</u>	<u>252,329</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 2023)

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 2023.

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 2023.

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 2023 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 2023.

A6. Changes in Estimates

There were no material changes in estimates for the financial period ended 30 September 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 period ended 30 September 2023.

A8. Dividends Paid

There was no payment of dividend during the financial period ended 30 September 2023.

A9. Changes in Composition of the Group

On 3 July 2023, the Company disposed its entire investment in YTB (Singapore) Pte. Ltd. (“YTBS”) comprising 1 ordinary share, representing 100% equity shares in YTBS, for a total consideration of RM3. Since then, YTBS ceased to be a subsidiary of the Company.

On 12 July 2023, the Company disposed its entire investment in YTB Makmur Sdn. Bhd. (“YTBM”) comprising 8 ordinary shares, representing 80% equity shares in YTBM, for a total consideration of RM8. Since then, YTBM ceased to be a subsidiary of the Company.

A10. Contingent Liabilities

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

A11. Commitments

	As at 30.09.2023 RM'000
Approved and contracted for:	
Commitment for acquisition of a development land and its related costs	9,000
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A12. Related Party Transactions

	3 Months Ended 30.09.2023 RM'000
<i>Transaction with company which certain directors of the Company have interest:</i>	
i) Rental received for use of theatre and/or surrounding areas	749
ii) Hotel and related hospitality services	232
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A13. Segment Reporting

The segmental analysis for the financial period ended 30 September 2023 is as follows:

	Property development RM'000	Property investment RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
External sales	4,691	8,571	2,665	(2,665)	13,262
Inter-segment	-	37	-	(37)	-
Total	4,691	8,608	2,665	(2,702)	13,262
Gross profit/(loss)	36	1,964	2,665	(2,702)	1,963
Other income	178	129	3	20	330
Other expenses	(1,439)	(2,236)	(3,876)	2,702	(4,849)
Operating profit/(loss)	(1,225)	(143)	(1,208)	20	(2,556)
Finance costs					(3,813)
Loss before tax					(6,369)
Taxation					(8)
Loss after tax					(6,377)
Non-controlling interest					57
Loss for the period					(6,320)
Other information					
Segment assets	339,435	355,676	1,806	-	696,917
Unallocated corporate assets					443
Total consolidated corporate assets					697,360
Segment liabilities	307,420	107,539	29,823	-	444,782
Unallocated corporate liabilities					249
Total consolidated corporate liabilities					445,031

A14. Material Events subsequent to the End of Financial Period

There were no material events after 30 September 2023 till 16 November 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 are analysed as follows:

	3 MONTHS ENDED		
	30.09.23 RM'000	30.09.22 RM'000	Changes RM'000
Revenue			
Property Development	4,691	49,221	(44,530)
Property Investment	8,571	166	8,405
Other Operations	-	-	-
	13,262	49,387	(36,125)
Profit/(Loss) Before Tax			
Property Development	(3,437)	8,350	(11,787)
Property Investment	(1,399)	(3,401)	2,002
Other Operations	(1,533)	(2,136)	603
	(6,369)	2,813	(9,182)

Property Development

The Group recorded revenue of RM4.7 million and LBT of RM3.4 million for the current quarter ended 30 September 2023 as compared to revenue of RM49.2 million and PBT of RM8.4 million in the preceding year quarter.

The lower revenue recognised in the current quarter from the property development segment was mainly due to The Apple and Amber Cove project was completed and handed over in last financial year.

Property Investment

Courtyard by Marriott Melaka has commenced its hotel operation on 8 April 2023 and has been in full operation for the current quarter, contributing significantly to the higher revenue recognised and reduce the LBT in the property investment segment.

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

The Group’s current quarter loss before tax was RM6.37 million as compared to RM24.81 million loss before tax reported in the preceding quarter ended 30 June 2023. The loss before tax recorded in the preceding 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 Current Financial Year (“FY 2024”)

For the property segment, In the face of challenges posed by higher interest rates, ongoing inflation, and an oversupply of properties across various markets and segments, the Group is steadfast in its strategies. These strategies focus on advancing development projects for timely completion, rebranding and introducing refreshed offerings to attract a diverse customer group, and effectively monetizing existing inventories.

As for the property investment segment, the Group continues to proactively implement measures, positioning the Encore Melaka Theatre to leverage the pent-up demand in the tourism sector. This collaboration has attracted considerable attention from both local and international media. The recommencement of daily shows at Encore Melaka is anticipated to be a positive contributor to the Group's financial performance through increased ticket sales. Looking ahead, the Group aims to pursue further collaborations with various international shows, thereby enhancing 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 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. Nevertheless, with all the current business segments on the right track, the Group is cautiously optimistic about performance for FY 2024. The Group will also continue to 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 16 November 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 16 November 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 30 September 2023.

B8. Taxation

	3 Months Ended	
	30.09.2023	30.09.2022
	RM'000	RM'000
Income tax		
- current quarter	8	1,052
Tax expenses for the quarter	8	1,052

The Group's effective tax rate for the current quarter is higher than the statutory tax rate mainly due to deferred tax assets not recognised for loss making subsidiaries.

B9. Group Borrowings

	As at
	30.09.2023
	(RM'000)
<u>Current</u>	
Bank overdraft (unsecured)	21,254
Term loans (secured)	27,880
	49,134
<u>Non-Current</u>	
Term loans (secured)	134,854
Total	183,988

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

B10. Notes to the Statement of Comprehensive Income

	3 Months Ended	3 Months Ended
	30.09.2023	30.09.2022
	RM'000	RM'000
Notes to the Statement of Comprehensive		
Income comprises:-		
Interest income	9	13
Interest expenses	(3,807)	(3,243)
Depreciation of property, plant, equipment	(2,612)	(1,576)
Depreciation of right-of-use assets	(97)	(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)/Profit Per Share

a. Basic

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

	3 Months Ended	
	30.09.2023	30.09.2022
	RM'000	RM'000
Net (loss)/profit attributable to equity holders of the Company	<u>(6,320)</u>	<u>1,812</u>
Weighted average number of ordinary shares in issue ('000)	<u>378,117</u>	<u>316,568</u>
Basic (loss)/profit per share attributable to equity holders of the Company (Sen)	<u>(1.67)</u>	<u>0.57</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 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: 23 November 2023