

Y&G CORPORATION BHD. [Registration No. : 196501000612 (6403-X)]

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Sep 2023	Preceding Year Corresponding Quarter 30 Sep 2022	Current Year To-date 30 Sep 2023	Preceding Year Corresponding Period 30 Sep 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	4,721	16,955	27,408	59,587
Operating expenses	(4,863)	(14,526)	(20,335)	(46,097)
Other operating income	323	118	938	330
Profit From Operations	181	2,547	8,011	13,820
Interest income	247	99	485	211
Interest expenses	(92)	(92)	(698)	(468)
Profit Before Tax	336	2,554	7,798	13,563
Taxation	(21)	(960)	(2,559)	(3,692)
Profit For The Period	315	1,594	5,239	9,871
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	315	1,594	5,239	9,871
Attributable to:				
Equity holders of the parent	316	1,592	5,241	9,865
Non-controlling interests	(1)	2	(2)	6
	315	1,594	5,239	9,871
Total Comprehensive Income / (Loss) attributable to equity holders of the parent :				
Basic Earnings per share (Sen)	0.14	0.73	2.40	4.52

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the Year Ended 31 Dec 2022 and the accompanying notes attached to the Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

	As at end of Current Quarter 30 Sep 2023	As at Preceding Year Ended 31 Dec 2022
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,293	1,198
Investment property	17,253	17,427
Land held for property development	216,375	206,286
Deferred tax assets	-	2,397
	234,921	227,308
CURRENT ASSETS		
Inventories	8,955	10,110
Property development expenditure	13,561	15,853
Contract assets	4,307	35,869
Trade receivables	10,427	5,017
Other receivables, deposits and prepayments	40,744	10,054
Current tax assets	1,003	1,163
Cash and cash equivalents	85,992	80,686
	164,989	158,752
TOTAL ASSETS	399,910	386,060
EQUITY AND LIABILITIES		
Equity attributable to equity holders of parent -		
Share capital	218,478	218,478
Retained earnings	98,882	93,641
	317,360	312,119
NON-CONTROLLING INTEREST	507	509
TOTAL EQUITY	317,867	312,628
NON-CURRENT LIABILITIES		
Obligation under finance leases (Long Term)	303	269
Bank borrowings (Long Term)	48,653	28,288
Deferred tax liabilities	8,515	8,407
	57,471	36,964
CURRENT LIABILITIES		
Trade payables	13,815	10,881
Other payables and accruals	2,927	14,617
Obligation under finance leases (Short Term)	219	182
Bank borrowings (Short Term)	6,563	7,604
Current tax liabilities	1,048	3,184
	24,572	36,468
TOTAL LIABILITIES	82,043	73,432
TOTAL EQUITY AND LIABILITIES	399,910	386,060
Net assets / share attributable to ordinary equity holders of the parent (RM)	1.45	1.43

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the Year Ended 31 Dec 2022 and the accompanying notes attached to the Interim Financial Statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

	Share capital RM'000	Retained earnings RM'000	Non - controlling interest RM'000	TOTAL EQUITY RM'000
Current Quarter				
Balance as at 1 January 2023	218,478	93,641	509	312,628
Profit / (Loss) after tax	-	5,241	(2)	5,239
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	5,241	(2)	5,239
Transaction with owners :				
Dividend paid	-	-	-	-
Total transactions with owners	-	-	-	-
Balance as at 30 Sep 2023	218,478	98,882	507	317,867
Preceding Year's Corresponding Quarter				
Balance as at 1 January 2022	218,478	83,927	501	302,906
Profit after tax	-	9,865	6	9,871
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	9,865	6	9,871
Transaction with owners :				
Dividend paid	-	-	-	-
Total transactions with owners	-	-	-	-
Balance as at 30 Sep 2022	218,478	93,792	507	312,777

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the Year Ended 31 Dec 2022 and the accompanying notes attached to the Interim Financial Statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

	Current Quarter Ended 30 Sep 2023	Preceding Year Quarter 30 Sep 2022
	RM'000	RM'000
PROFIT BEFORE TAX	7,798	13,563
Depreciation on property, plant and equipment	222	211
Amortisation of investment property	174	174
Loss on disposal of property, plant and equipment	2	3
Interest on obligation under finance leases	19	18
Bank borrowings' interest	679	440
Interest income	(485)	(212)
Gain on foreign exchange	(458)	(449)
Operating Profit Before Working Capital Changes	7,951	13,748
CHANGES IN WORKING CAPITAL :		
Decrease/(Increase) in inventories	1,155	19,655
Decrease/(Increase) in property development costs	2,292	16,835
Decrease/(Increase) in contract assets/liabilities	31,562	(11,117)
Decrease/(Increase) in receivables	(36,100)	13,407
(Decrease)/Increase in payables	(8,756)	(2,310)
Cash Flows (Used In) / Generated From Operations	(1,896)	50,218
Taxes paid	(2,029)	(4,161)
Net Cash Flows (Used In) / Generated From Operating Activities	(3,925)	46,057
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(319)	(57)
Addition of land held for property development	(10,089)	(13,464)
Interest income	485	212
Net Cash Flows Used In Investing Activities	(9,923)	(13,309)
FINANCING ACTIVITIES		
Net Drawdown of loans and borrowings	25,587	-
Repayment of obligation under finance lease	(169)	(155)
Repayment of bank borrowings	(6,024)	(8,603)
Interest on obligation under finance leases	(19)	(18)
Bank borrowings' interest	(679)	(440)
Net Cash Flows Generated From / (Used In) Financing Activities	18,696	(9,216)
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,848	23,532
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	80,686	39,448
Effects of exchange rate changes on cash and cash equivalents	458	449
CASH AND CASH EQUIVALENTS AT END OF PERIOD	85,992	63,429
<u>Cash and cash equivalents comprise the followings :</u>		
Cash and bank balances	69,260	47,271
Fixed deposits with licensed banks (*)	16,732	16,158
	85,992	63,429

(*) : Included in the fixed deposits with licensed banks are deposits amounting to RM6.732M (2022 : RM6.404M) pledged to licensed banks as securities for banking facilities granted to certain subsidiaries

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the Year Ended 31 Dec 2022 and the accompanying notes attached to the Interim Financial Statements)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

1. BASIS OF PREPARATION

The Interim Financial Statements for the third quarter ended 30 September 2023 are unaudited and have been prepared in accordance with the requirements of MFRS 134 – "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022.

These explanatory notes attached to the Interim Financial Statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2022.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted by the Group in preparing this Interim Financial Statements are consistent with those adopted in the Audited Financial Statements for the year ended 31 December 2022.

On 1 January 2021, the Group has adopted the following new and amended Malaysian Financial Reporting Standards ("MFRSs") and Issues Committee ("IC") Interpretation mandatory for annual financial periods beginning on or after 1 January 2021 :

Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139

Interest Rate Benchmark Reform - Phase 2

The adoption of the new and amended MFRSs that came into effect during the financial quarter under review do not have any material effect on the financial performance or position of the Group.

The following Standards, Amendments and IC Interpretations have been issued by the MASB but have not been effective and have not been adopted by the Group :

Effective for the financial periods beginning on or after 1 January 2022

Amendments to MFRS 1, MFRS 9 and MFRS 141 Annual Improvements to MFRSs 2018 - 2020 Cycle

Amendments to MFRS 3 Reference to the Conceptual Framework

Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract

Effective for the financial periods beginning on or after 1 January 2023

MFRS 17 and Amendments to MFRS 17

Insurance Contracts

Amendments to MFRS 101 Disclosure of Accounting Policies

Amendments to MERS 101 Classification of Liabilities as Current or Non-Current

Amendments to MFRS 112

Deferred Tax related to Assets and Liabilities arising from a Single Transaction

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

2. CHANGES IN ACCOUNTING POLICIES (Cont'd)

Effective date to be announced

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

3. AUDITORS' REPORT ON PRECEDING AUDITED FINANCIAL STATEMENTS

The auditors' report on the Audited Financial Statements for the year ended 31 December 2022 was not subject to any qualification.

4. SEASONAL OR CYCLICAL FACTORS

The business operations of the Group for the current financial quarter and year-to-date were not subject to any seasonal or cyclical factors.

5. UNUSUAL ITEMS

There were no unusual items which have a material effect on the assets, liabilities, equity, net income or cash flow of the Group for the current financial quarter and year-to-date.

6. CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior financial years which may have a material effect in the current financial quarter.

7. DEBT, EQUITY AND CONVERTIBLE SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

8. DIVIDEND PAID

The Company did not make any payment of dividends during the current financial quarter.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023****9. PROFIT BEFORE TAX**

The following items have been included in arriving at profit before tax :

	----- Individual Quarter -----		----- Cumulative Quarter -----	
	30 Sep 2023 RM'000	30 Sep 2022 RM'000	30 Sep 2023 RM'000	30 Sep 2022 RM'000
Depreciation on property, plant and equipment	74	71	222	211
Amortisation of investment property	58	58	174	174
Loss on disposal of property, plant and equipment	-	1	2	3
Gain on foreign exchange	(47)	(214)	(458)	(449)

Save for the items disclosed in the Statement of Comprehensive Income and the note above, other items pursuant to Appendix 9B Note 16 of the MMLR are not applicable.

10. SEGMENTAL INFORMATION

The analysis of the Group's operations for the current financial year-to-date ended 30 September 2023 are as follows :

	<u>Property</u> <u>Investment & Others</u> RM'000	<u>Property</u> <u>Development</u> RM'000	GROUP RM'000
Segment Revenue - External	553	26,855	27,408
Segment Results	(1,425)	9,436	8,011
Interest Income			485
Interest Expenses			(698)
Profit Before Tax			7,798
Taxation			(2,559)
Profit for the Period			5,239

11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The valuation of property, plant and equipment has been brought forward without any amendments from the Audited Financial Statements for the year ended 31 December 2022.

12. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD UNDER REVIEW

There were no material events subsequent to the end of the current financial quarter that have not been reflected in the Interim Financial Statements as at the date of this Quarterly Report.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023****13. CHANGES IN COMPOSITION OF THE GROUP**

There was no material change in the composition of the Group for the current financial quarter and year to-date.

14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Save and except as disclosed under Note 20 (Taxation) below, there was no material contingent liabilities and/or contingent assets as at the date of this Quarterly Report.

15. CAPITAL COMMITMENTS

There was no material capital commitments which are not provided for in the Interim Financial Statements as at the date of this Quarterly Report.

16. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR-TO-DATE

The Group's revenue was mainly derived from the development activities for the current financial quarter and year-to-date ended 30 September 2023.

	Individual Quarter		Changes RM'000
	Current Year Current Quarter 30 Sep 2023 ("Q3FY23") RM'000	Preceding Year Corresponding Quarter 30 Sep 2022 ("Q3FY22") RM'000	
Revenue	4,721	16,955	(12,234)
Operating Profit	314	2,676	(2,362)
Profit Before Interest and Tax	428	2,646	(2,218)
Profit Before Tax ("PBT"/"(LBT")")	336	2,554	(2,218)
Profit After Tax ("PAT"/"(LAT")")	315	1,594	(1,279)
Profit Attributable to Ordinary Equity Holders of the Parent	316	1,592	(1,276)

The Group's revenue declined by RM12.2 million to RM4.7 million for the current Q3FY23, in comparison to RM16.9 million in the preceding year's corresponding Q3FY22. The decrease of the Group's revenue was mainly due to the much lower inventory for sale and lack of new project launches.

The Group's PAT reduced by RM1.3 million to RM0.3 million in the current Q3FY23 as compared to a PAT of RM1.6 million reported in the preceding year's corresponding Q3FY22 due to the reasons mentioned above.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

16. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR-TO-DATE (Cont'd)

	Cumulative Quarter (Year-To-Date)		Changes RM'000
	Current Year Current Year-To-Date 30 Sep 2023 ("YTD2023") RM'000	Preceding Year Corresponding Year-To-Date 30 Sep 2022 ("YTD2022") RM'000	
Revenue	27,408	59,587	(32,179)
Operating Profit	8,414	14,207	(5,793)
Profit Before Interest and Tax	8,496	14,031	(5,535)
Profit Before Tax ("PBT")	7,798	13,563	(5,765)
Profit After Tax ("PAT/(LAT)")	5,239	9,871	(4,632)
Profit Attributable to Ordinary Equity Holders of the Parent	5,241	9,865	(4,624)

The Group's YTD2023 revenue was lower by RM32.2 million or 54% primarily due to the reasons mentioned above. On the back of the reduced revenue, the Group's PAT shrank by RM4.6 million or 47%.

17. FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	Current Quarter 30 Sep 2023 ("Q3FY23") RM'000	Immediate Preceding Quarter 30 Jun 2023 ("Q2FY23") RM'000	Changes RM'000
Revenue	4,721	21,531	(16,810)
Operating Profit	314	9,506	(9,192)
Profit Before Interest and Tax	428	9,491	(9,063)
Profit Before Tax ("PBT")	336	9,001	(8,665)
Profit After Tax ("PAT")	315	6,440	(6,125)
Profit Attributable to Ordinary Equity Holders of the Parent	316	6,440	(6,124)

In the current Q3FY23, the Group reported a lower revenue by RM16.8 million at RM4.7 million, compared to RM21.5 million for the immediate preceding Q2FY23, mainly due to the reasons mentioned above.

The Group's PAT declined by RM6.1 million at RM0.3 million in the current Q3FY23 as compared to RM6.4 million reported in the immediate preceding quarter Q2FY23 due to the reasons mentioned above.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023****18. PROSPECTS**

In 2023, as a highly open economy, Malaysia's economic prospect is heavily dependent on global economic developments. We foresee that the economic pressures, most notably an increase in global inflation and tighter global financial conditions that may raise the operating and input costs to businesses. While there are uncertainties and challenges, the Group remain vigilant in monitoring the economic progress locally and globally, and optimistic that there is still pent-up demand for well-planned properties in strategic locations. The Group will remain prudently and closely track the market sentiments before launching new projects to meet the demand at all times.

The Group had launched the sale of Block A (120 units) of Project Trifolia in Q3FY23 and its take up rate is 14% as of Q3FY23. The construction works of the entire Block A, have been fully completed with the issuance of Certificate of Completion and Compliance in Q2FY23.

19. PROFIT FORECAST AND PROFIT GUARANTEE

Not applicable as the Company did not issue any profit forecast and/or profit guarantee.

20. TAXATION

The taxation charge for the Group are as follows :

	Current Quarter RM'000	Current Year-To-Date RM'000
Income tax expense :-		
Estimated current year tax	7	(38)
Under provision in prior year	(16)	(16)
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	(9)	(54)
Deferred tax :-		
Reversal of deferred tax liabilities	25	202
Recognition of deferred tax assets	(37)	(2,707)
	<hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none;"/>	<hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none;"/>
	(12)	(2,505)
	<hr style="border-top: 1px solid black; border-bottom: 3px double black; border-left: none; border-right: none;"/>	<hr style="border-top: 1px solid black; border-bottom: 3px double black; border-left: none; border-right: none;"/>
	(21)	(2,559)

The Group's effective tax rates for both the current financial quarter and year-to-date are higher than the Malaysian statutory tax rate of 24% primarily due to the progressive amortization (through charging out as part of development costs) of the development projects' revaluation surplus, which is not deductible for tax purposes coupled with the non-group tax relief to the Group.

21. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There was no sale of unquoted investments and/or properties for the current financial quarter and year-to-date.

22. QUOTED SECURITIES

There was no purchase or disposal of quoted securities for the current financial quarter and year-to-date.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023****23. TRADE RECEIVABLES**

	GROUP	
	As At 30 Sep 2023 RM'000	As At 31 Dec 2022 RM'000
Property Development	10,427	5,017

Trade receivables comprise receivables from property development.

The trade receivables from property development comprises progress billings receivable from on-going development projects and received retention sums of completed development projects held by the solicitors as stakeholder in pursuant to the sale and purchase agreements. The progress billings are due within 21 days while, the retention sums are due upon the expiry of the defect liability period of 12 to 24 months. Other credit terms are assessed and approved on a case-to-case basis.

The trade receivables from the progress billings are creditworthy debtors with mainly good payment records and have obtained and/or in the process of obtaining end financing to fund their purchase of the Group's development properties.

24. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings and debts securities as at 30 September 2023 are analysed as follows :

Secured	Short Term RM'000	Long Term RM'000	TOTAL RM'000
Term Loan	6,563	48,653	55,216
Hire Purchase	219	303	522
TOTAL BORROWINGS	6,782	48,956	55,738

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There was no financial instrument with off balance sheet risk as at the date of this Quarterly Report.

26. MATERIAL LITIGATION

There was no material litigation as at the date of this Quarterly Report.

27. DIVIDEND

The Board of Directors does not recommend any dividend for the current financial quarter and year-to-date.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023****28. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the comprehensive income attributable to equity holders of the parent for the current financial quarter and year-to-date by the weighted average of ordinary shares in issue during the said quarter and year-to-date.

	Individual Quarter	Cumulative Quarter
Total comprehensive income attributable to equity holders of the parent (RM'000)	316	5,241
Weighted average number of ordinary share in issue ('000)	218,478	218,478
Earnings per share (sen)	0.14	2.40

By Order of the Board

Chang Ngee Chuang (MAICSA 7077854)
Secretary
Kuala Lumpur

Date : 29 Nov 2023