



YNH PROPERTY BHD
(Incorporated in Malaysia)

(561986-V)

Interim Financial Statements
31 March 2020

YNH PROPERTY BHD
(Incorporated in Malaysia)

**Condensed Consolidated Profit or Loss and Other Comprehensive Income
For the Three Months Period Ended 31 March 2020**

	Note	3 months ended		3 months ended	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
		RM	RM	RM	RM
Revenue		66,587,735	74,795,784	66,587,735	74,795,784
Cost of sales		(47,259,616)	(45,314,723)	(47,259,616)	(45,314,723)
Gross profit		19,328,119	29,481,061	19,328,119	29,481,061
Other income		6,293,377	10,554,322	6,293,377	10,554,322
Administrative expenses		(12,741,219)	(13,628,907)	(12,741,219)	(13,628,907)
Selling and marketing expenses		(740,783)	(193,400)	(740,783)	(193,400)
Other operating expenses		(351,691)	(7,313,943)	(351,691)	(7,313,943)
Profit from operations		11,787,803	18,899,133	11,787,803	18,899,133
Finance costs	17	(7,604,455)	(8,340,770)	(7,604,455)	(8,340,770)
Profit before tax		4,183,348	10,558,363	4,183,348	10,558,363
Income tax expense	18	(1,180,584)	(3,279,792)	(1,180,584)	(3,279,792)
Profit for the period		3,002,764	7,278,571	3,002,764	7,278,571
Other comprehensive income					
-Foreign currency translation difference		(403,932)	(575,502)	(403,932)	(575,502)
Total comprehensive income for the period		2,598,832	6,703,069	2,598,832	6,703,069
Earnings per share (sen)					
Basic	25 (a)	0.57	1.38	0.57	1.38
Diluted	25 (b)	0.57	1.38	0.57	1.38

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the financial statements.

YNH PROPERTY BHD

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Financial Position
As at 31 March 2020**

	Note	As at 31.03.2020 RM	As at 31.12.2019 RM
NON-CURRENT ASSETS			
Property, plant and equipment	8	105,539,068	105,606,417
Right of use		103,500,835	88,658,656
Deferred tax assets		86,110,051	87,988,632
Investment properties		308,156,262	305,462,395
Goodwill on consolidation		17,626,036	17,626,036
Inventories		364,299,519	348,394,115
Other non-current assets	9(b)	809,497,470	745,497,470
		<u>1,794,729,241</u>	<u>1,699,233,721</u>
CURRENT ASSETS			
Inventories		352,931,948	425,266,891
Trade and other receivables	9(a)	145,684,400	134,239,813
Other current assets	9(c)	17,533,458	18,162,032
Contract assets		5,410,703	720,833
Tax recoverable		2,211,337	1,648,457
Cash and bank balances		26,086,050	15,646,918
		<u>549,857,896</u>	<u>595,684,944</u>
TOTAL ASSETS		<u>2,344,587,137</u>	<u>2,294,918,665</u>

**Condensed Consolidated Statement of Financial Position as at 31 March 2020
(Contd.)**

	Note	As at 31.03.2020 RM	As at 31.12.2019 RM
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		528,999,579	528,999,579
Perpetual securities	6 (b)	260,420,981	260,420,981
Treasury shares		(970,157)	(970,157)
Other reserves		31,510,940	31,914,872
Retained earnings		343,358,252	349,437,274
Total equity		<u>1,163,319,595</u>	<u>1,169,802,549</u>
Non-Current Liabilities			
Provisions	22		
Deferred tax liabilities		35,068,782	35,365,862
Lease liabilities		32,750,410	61,992,275
Long term liabilities	20	393,485,445	267,080,899
		<u>461,304,637</u>	<u>364,439,036</u>
CURRENT LIABILITIES			
Trade and other payables		253,252,030	283,807,350
Contract liabilities		57,549,251	61,333,026
Provisions	22	2,314,000	429,459
Borrowings	20	357,596,799	359,795,703
Lease liabilities		28,752,157	30,046,850
Income tax payable		20,498,668	25,264,692
		<u>719,962,905</u>	<u>760,677,080</u>
TOTAL LIABILITIES		<u>1,181,267,542</u>	<u>1,125,116,116</u>
TOTAL EQUITY AND LIABILITIES		<u>2,344,587,137</u>	<u>2,294,918,665</u>
NTA per share (RM)		<u>2.17</u>	<u>2.18</u>
Net asset per share (RM)		<u>2.20</u>	<u>2.21</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the financial statements.

YNH PROPERTY BHD
(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity
For the Three Months Period Ended 31 March 2020**

	Attributable to Equity Holders of the Company								Total RM
	Share capital RM	Perpetual capital securities RM	Non-distributable			Distributable			
			Share Option Reserve RM	Share Premium RM	Translation Reserve RM	Capital Reserve RM	Treasury Shares RM	Retained profits RM	
Opening balance at 1 January 2019	528,999,579		-	-	5,737,755	26,578,054	(6,931,199)	349,269,181	903,653,370
<u>Comprehensive income</u>									
Profit for the year	-		-	-	-	-	-	7,278,571	7,278,571
Share dividend							5,961,041	-	5,961,041
Dividend	-		-	-	-	-	-	-	-
<u>Other comprehensive income</u>									
-Foreign currency translation difference	-		-	-	(575,502)	-	-	-	(575,502)
Closing balance at 31 March 2019	528,999,579		-	-	5,162,253	26,578,054	(970,158)	356,547,752	916,317,480
Opening balance at 1 January 2020	528,999,579	260,420,981.00	-	-	5,336,818	26,578,054	(970,157)	349,437,274	1,169,802,549
<u>Comprehensive income</u>									
Profit for the year	-		-	-	-	-	-	3,002,764	3,002,764
<u>Other comprehensive income</u>									
Foreign currency translation difference	-	-	-	-	(403,932)	-	-	-	(403,932)
Sukuk payment	-	-	-	-	-	-	-	(9,081,786)	(9,081,786)
Closing balance at 31 March 2020	528,999,579	260,420,981	-	-	4,932,886	26,578,054	(970,157)	343,358,252	1,163,319,595

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the financial statements.

YNH PROPERTY BHD
(Incorporated in Malaysia)

Condensed Consolidated Statement of Cash Flow
For the Three Months Period Ended 31 March 2020

	3 months ended 31.03.2020 RM	12 months ended 31.12.2019 RM
Profit before taxation	<u>4,183,348</u>	<u>59,607,076</u>
Net cash used in operating activities	(68,746,068)	(100,644,773)
Net cash (used in)/from investing activities	(35,938,653)	2,439,413
Net cash from financing activities	<u>124,822,619</u>	<u>161,406,235</u>
Net increase/(decrease) in cash and cash equivalents	20,137,898	63,200,875
Cash and cash equivalents at beginning of financial period	(30,326,855)	(93,527,730)
Cash and cash equivalents at end of financial period	<u>(10,188,957)</u>	<u>(30,326,855)</u>

Cash and cash equivalents at end of financial period comprise the following:

Fixed deposits	1,000,883	1,000,883
Less: pledged fixed deposits	(1,000,883)	(1,000,883)
	-	-
* Cash and bank balances	25,085,167	14,646,035
Bank overdraft (included within borrowings in Note 20)	(35,274,123)	(44,972,890)
	<u>(10,188,956)</u>	<u>(30,326,855)</u>

- * Included in cash at banks of the Group are amounts of RM 3,122,991 held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the financial statements.

YNH PROPERTY BHD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 March 2020

1. BASIS OF PREPARATION

The quarterly condensed financial report has been prepared in accordance with:

- (i) The requirement of the Malaysian Financial Reporting Standards ("MFRS") Standard 134: Interim Financial Reporting; and
- (ii) Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad and should be read in conjunction with the audited annual financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the quarterly condensed financial report. These explanatory notes attached to the quarterly condensed financial report provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2019. The significant accounting policies adopted for the quarterly condensed financial report are consistent with those of the audited financial statements for the financial year ended 31 December 2019.

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2019 was not qualified.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's performance is not materially affected by seasonal or cyclical factors.

4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items due to their nature, size or incidence affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 March 2020.

5. CHANGES IN ESTIMATES

The Group has not submitted any financial forecast or projections to any authority during the current quarter and prior financial year ended 31 December 2019. There were no changes in estimates that have had a material effect in the current quarter results.

6. CAPITAL MANAGEMENT, DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period ended 31 March 2020 and the date of this interim report except the following:

(a) Treasury Shares

There is no purchase of treasury shares during the current quarter of the financial period ended 31 March 2020. Total treasury shares repurchased cumulatively as at 31 March 2020 is 512,512 ordinary shares, representing a cumulative 0.10% of the total paid up share capital of the company as at 31 March 2020. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016. There is no repurchase of treasury share subsequent to the interim financial period ended 31 March 2020.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 March 2020

6. CAPITAL MANAGEMENT, DEBT AND EQUITY SECURITIES (Contd.)

(b) Capital Management

The Group's objectives of managing capital are to safeguard the group's ability to continue in operation as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

For capital management purposes, the Group consider shareholders' equity to be the key component in the Group's capital structure. The Group monitors capital based on gearing ratio. The ratio is calculated on total debts divided by total equity. The Group's strategy is to maintain a gearing ratio below 100%. The gearing ratio as at 31 March 2020, are as follows:

	31.03.2020	31.12.2019
	RM	RM
Total borrowing	751,082,244	626,876,602
Lease liabilities	61,502,567	92,039,125
Trade and other payables	253,252,030	283,807,350
Net debts	<u>1,065,836,841</u>	<u>1,002,723,077</u>
Equity attributable to the owners of parents	<u>1,163,319,595</u>	<u>1,166,802,549</u>
Gearing ratio	<u>92%</u>	<u>86%</u>

The details of the issuance and repayment of debts and equity instrument in the current quarter ended 31 March 2020 are as follows:

	31.03.2020
	RM
Drawdown of revolving credit	14,435,895
Payment of sukuk	(9,081,786)
Drawdown of term loan (net of repayment)	119,468,510

7. DIVIDEND PAID

No dividend was paid for the financial period ended 31 December 2019.

YNH PROPERTY BHD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 March 2020

8. CARRYING AMOUNT OF REVALUED ASSETS

The valuation of property, plant and equipment and investment properties have been brought forward without amendment from the financial statements for the year ended 31 December 2019.

9(a) TRADE AND OTHER RECEIVABLES

	As at 31.03.2020	As at 31.12.2019
	RM	RM
Trade receivables	120,699,081	120,489,559
Less: Provision for impairment	(9,879,829)	(7,504,829)
	<u>110,819,252</u>	<u>112,984,730</u>
Other receivables	34,865,148	21,255,083
	<u>145,684,400</u>	<u>134,239,813</u>

Trade receivables are generally on credit terms ranging from 14 days to 180 days. Credit terms for the sales of commercial properties range from 14 days to 270 days.

Included in trade receivables are:

- (i) an amount of RM5,558,907 owing by certain directors of the Company
- (ii) an amount of RM 7,369,474 owing by persons related to directors

The amounts owing by directors and persons related to directors are in respect of purchase of properties from the Group and is under normal credit terms granted to customers.

9(b) Other non current assets represent security deposits for various joint venture projects.

10. SUBSEQUENT EVENTS

On 11 March 2020, the World Health Organisation declared the Coronavirus ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The emergence of the Covid-19 outbreak since mid-March 2020 has brought significant economic uncertainties in Malaysia.

The Group and the Company are unable to reasonably estimate the financial impact of Covid-19 for the interim financial year ending 31 March 2020 to be disclosed in the interim financial statements as the situation is still evolving and the uncertainty of the outcome of the current events. It is however certain that the containment measures against the spread of the Covid-19 will have adverse effects on the Group's revenue, operations and supply chains. The Group and the Company will continuously monitor the impact of Covid-19 on its operations and its financial performance. The Group and the Company will also be taking appropriate and timely measures to minimise the impact of the outbreak on the Group's operations.

YNH PROPERTY BHD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 March 2020

11. CHANGES IN COMPOSITION OF THE GROUP

There is no change in the composition of the Group since the last financial year until the date of this interim report.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There is no contingent liabilities and contingent assets for the period ended 31 March 2020 and the date of this interim financial report.

13. CAPITAL COMMITMENTS

There is not capital commitment as at 31 March 2020.

14. PERFORMANCE REVIEW

	3 months ended		changes		3 months ended		changes	
	31.03.2020	31.03.2019			31.03.2020	31.03.2019		
	RM	RM	RM	%	RM	RM	RM	%
Revenue	66,587,735	74,795,784	(8,208,049)	-11%	66,587,735	74,795,784	(8,208,049)	-11%
Profit from operations	11,787,803	18,899,133	(7,111,330)	-38%	11,787,803	18,899,133	(7,111,330)	-38%
Profit before tax	4,183,348	10,558,363	(6,375,015)	-60%	4,183,348	10,558,363	(6,375,015)	-60%
Profit for the period	3,002,764	7,278,571	(4,275,807)	-59%	3,002,764	7,278,571	(4,275,807)	-59%

The Group's cumulative turnover for the current financial period ended 31 March 2020 is RM66,587,735 (year 2019-RM74,795,784) and profit before taxation is reported at RM 4,183,348(year 2019-RM10,558,363). Profit before taxation for the current quarter is lower compared to previous year's corresponding quarter due to lower contribution of profit from projects as a result of COVID 19 pandemic. Project site has ceased progress after government announcement of Movement Control Order commencing 18 March 2020 and the group's hospitality arm is affected by the COVOD-19 pandemic as well. The Group's performance for this year is mainly derived from profit recognition from sales of inventories in Pangsapuri Samudera , and progressive profit recognition of Kiara 163.

YNH PROPERTY BHD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 March 2020

14. PERFORMANCE REVIEW (Contd.)

	Current Quarter RM	Immediate Preceding Quarter RM	Changes	
			RM	%
Revenue	66,587,735	90,336,138	(23,748,403)	-26%
Profit from operations	11,787,803	43,241,998	(31,454,195)	-73%
Profit before tax	4,183,348	24,869,952	(20,686,604)	-83%
Profit for the period	3,002,764	17,752,728	(14,749,964)	-83%

On a quarter to quarter basis, the current quarter profit before taxation of RM 4,183,348 is lower than previous quarter of RM 24,869,952. This is due to slower project progress and as well impact on group's hospitality arm as a result of COVID 19 pandemic. Project site has ceased progress after government announcement of Movement Control Order commencing 18 March 2020.

An analysis of other operating income for the current financial period are as follows:

	31.03.2020	31.03.2019
<u>Other operating income</u>	RM	RM
Gain on disposal of property, plant and equipment	-	1,984,500
Rental income from properties and machineries	5,985,199	8,330,266
Sales of building material & others	66,605	239,556
Others	241,573	-
	6,293,377	10,554,322

15. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There was no off balance sheet financial instruments as at the date of this report.

YNH PROPERTY BHD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 March 2020

16. COMMENTARY ON PROSPECTS

The local and global economic climate remains challenging due to the uncertainties caused by COVID -19 pandemic. The group's project progress as well as hospitality arm are affected by the pandemic. The Group has taken counter measures and complied to strict SOP with regards to hygiene and sanitisation for offices, project sites and retail mall to lessens the impact of MCO and allows the Group to be able to catch up the progress of each sectors respectively. In addition, the stimulus package announced by the government, including the reduction of Overnight Policy Rate and re-introduction of house ownership campaign will make home ownership more affordable. As such, the Board is cautiously optimistic that demand for property will be sustainable, given the strategic location and correct pricing of our properties.

The Board is cautiously optimistic of our Kiara 163 mixed development project held under D'Kiara Place Sdn Bhd ("DKP"), a wholly owned subsidiary company of YNH Property Bhd. DKP is the registered and beneficial owner of the 6 acres freehold development property located in Mont' Kiara, Kuala Lumpur, besides McDonald outlet at Plaza Mont' Kiara and opposite One Mont' Kiara. The proposed commercial development comprises:

- i) 1 block of 46 storey of service apartment and 1 block of hotel suites of 44 storey (718 units) with facilities and multi-storey car park,
- ii) 1 Small Office Versatile Office ("SOVO") Tower,
- iii) 1 shopping mall and basement car park.

The Kiara 163 project has a total GDV of approximately RM1.0 billion. The retail shopping mall will be one of the main attraction of the development where residents/ tenants have seamless life, work and play lifestyle. Main building for retail mall and SOVO for Kiara 163 has already been completed and handed over while the balance two blocks are expected to contribute to the Group for the next financial year.

Another prestigious project planned for the future by YNH group is the Menara YNH development, located on one of the most exclusive addresses in Kuala Lumpur city centre, in the Golden Triangle area where most prestigious 5 star hotels and upmarket office spaces are found. The commercial development sits on a 130,826 sq ft (approximately 3 acres) of land with a wide frontage of 320 feet along Jalan Sultan Ismail. The location of Menara YNH also offers easy accessibility and close proximity to efficient public transport facilities such as the Putra Light Rail Transport and the K.L Monorail station. It is also located within walking distance to all major hotels and shopping centres. This Menara YNH has a GDV of approximately RM2.1 billion. Approved development order had already been obtained for this development, comprising office tower and shopping mall.

YNH PROPERTY BHD

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 March 2020**16. COMMENTARY ON PROSPECTS**

The Group has intention to keep 50% of the Menara YNH referred above as investment property and it will be used as the Group's future corporate headquarter.

The Group has also entered into a series of joint venture projects for the development of a few pieces of land strategically located near Mont' Kiara, Hartamas, Kuala Lumpur city centre, Ipoh city and Seri Manjung town. These developments are at planning stage and have an estimated gross development value of RM1.8 billion and are expected to contribute to the Group's earnings for the next 15 to 20 years.

The Group had successfully completed the construction of AEON Mall Seri Manjung in year 2012 and Pantai Specialist Centre at Seri Manjung in November 2013. The presence of AEON Mall Seri Manjung Shopping Centre and Pantai Specialist Centre will further enhance the value of the balance 700 acres of undeveloped landbanks in the Manjung Point Township.

The Company had also in the 4th quarter of 2008 acquired 95 acres of strategic development land bank in Genting Highlands. The Genting land bank is located strategically next to the Genting Highland Resort and was acquired for RM16.05 million. The advantage of this land bank is that the purchase consideration is very low and it comes with infrastructure. The land has already been converted to building title. The proximity to the existing Genting Highland Resort is an advantage as the proposed development will complement the existing infrastructure. Other plus point for this development is that it is located in a cool environment and yet is 45 minutes from the KL city centre as the existing highway is already completed from the KL city centre to the existing resort.

The proposed development for this 95 acres land bank comprises commercial, bungalows, condominium, retail and etc. for both local and foreign investors. The estimated gross development value for this future development is RM1.96 billion and expected to contribute to the Group's earnings in the next 20 years.

YNH PROPERTY BHD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 March 2020

17. FINANCE COSTS

This is arrived at after charging:	3 months ended 31.03.2020 RM
Revolving credit interest	3,999,400
Term loan interest	2,935,653
Overdraft interest	<u>669,402</u>

18. INCOME TAX EXPENSE

	3 months ended 31.03.2020 RM	3 months ended 31.12.2019 RM	3 months ended 31.03.2020 RM	3 months ended 31.12.2019 RM
Tax expense for the period:				
Malaysian income tax	(1,337,584)	(1,120,000)	(1,337,584)	(1,120,000)
Deferred tax	157,000	(2,159,792)	157,000	(2,159,792)
	<u>(1,180,584)</u>	<u>(3,279,792)</u>	<u>(1,180,584)</u>	<u>(3,279,792)</u>

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group is as follow:

	3 months ended 31.03.2020 RM
Profit before tax	<u>4,183,348</u>
Taxation at applicable statutory tax rate	(1,004,004)
Others timing differences	<u>(176,580)</u>
Tax expense for the quarter/year	<u>(1,180,584)</u>

YNH PROPERTY BHD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 March 2020

19. SALES OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments and no other sales of properties for the financial year ended 31 March 2020 except for the sales of development properties in the ordinary course of business.

20. LOAN AND BORROWINGS

	As at 1st quarter ended 31.03.2020					
	Long term		Short term		Total borrowings	
	USD denomination	RM denomination	USD denomination	RM denomination	USD denomination	RM denomination
Secured						
Secured-Finance lease liabilities	-	-	-	-	-	-
Secured-Term loan		393,485,445		16,124,796		409,610,241
Secured-Bank overdraft and revolving credit	-	-	-	341,472,003	-	341,472,003

	As at 1st quarter ended 31.03.2019					
	Long term		Short term		Total borrowings	
	USD denomination	RM denomination	USD denomination	RM denomination	USD denomination	RM denomination
Secured						
Secured-Finance lease liabilities	-	-	-	-	-	-
Secured-Term loan	-	135,947,284	-	125,234,080	-	261,181,364
Secured-Bank overdraft and revolving credit	-	-	-	498,618,679	-	498,618,679

The weighted average interest of borrowings is 5.50 % and RM4,189,456 of loan and borrowings in the current year are based on fixed interest rate and RM 755,610,587 of loan and borrowings are based on floating interest rate.

21. PROFIT FORECAST

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

YNH PROPERTY BHD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 March 2020

22. PROVISIONS

	As at 31.03.2020	As at 31.12.2019
	RM	RM
Opening	429,459	665,438
Provision during the period/year	1,884,541	674,122
Utilisation/ written back during the period/year	-	(910,101)
Closing	<u>2,314,000</u>	<u>429,459</u>

23. CHANGES IN MATERIAL LITIGATION

As at the date of this report, the Group is not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the Group and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of YNH Property Bhd and its subsidiaries.

24. DIVIDEND PAYABLE

The Directors recommended a final dividend of 2.5 sen per ordinary share for the financial year ended 31 December 2019, to be approved by the shareholders at the forthcoming Annual General Meeting. Based on the issued capital of 528,999,579 ordinary shares as at year end, the dividend amounts to RM13,224,989. The actual net amount paid will depend on the issue capital on entitlement date. The interim financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the current financial year ending 31 December 2020.

The Company has a dividend policy of at least 30% of profit after taxation be fixed for future declaration of dividend.

25. EARNING PER SHARE

(a) **Basic**

Basic earning per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	3 months ended 31.03.2020	3 months ended 31.03.2019	3 months ended 31.03.2020	3 months ended 31.03.2019
	RM	RM	RM	RM
Net profit for the period	3,002,764	7,278,571	3,002,764	7,278,571
Weighted average number of ordinary shares in issue	528,999,579	528,999,579	528,999,579	528,999,579
Basic earnings per share (sen)	<u>0.57</u>	<u>1.38</u>	<u>0.57</u>	<u>1.38</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 March 2020

25. EARNING PER SHARE (Contd.)

(b) **Diluted**

There is no dilution effect in calculating earning per shares because there is no Employee Share Scheme in effect during the current financial year. As such, the diluted earning per share is similar with basic earning per shares.

	3 months ended 31.03.2020 RM	3 months ended 31.03.2019 RM	3 months ended 31.03.2020 RM	3 months ended 31.03.2019 RM
Net profit for the period	3,002,764	7,278,571	3,002,764	7,278,571
Weighted average number of ordinary shares in issue	528,999,579	528,999,579	528,999,579	528,999,579
Adjusted weighted number of ordinary shares in issue	528,999,579	528,999,579	528,999,579	528,999,579
Diluted earnings per share (sen)	0.57	1.38	0.57	1.38

26. RELATED PARTY TRANSACTION

The Group's related party transactions cumulative period-to-date ended 31 March 2020 are as follows:

Party	Transaction	31.03.2020 RM
Transaction with non-group members	Rental of equipment and transportation payable, purchase of construction material, rental of land and properties and entitlement payable	1,009,454
	Rental of properties and equipment received	292,787
	Sales of properties	-
	Sales of building material	-
Transaction with person connected with Directors	Legal services and disbursement paid (including stamp duty etc.)	1,698,554
	Sales of properties	-
	Rental of properties received	9,000
Transaction with Directors	Sales of properties	-
	Guarantee return paid for service apartment and office	4,640,088

YNH PROPERTY BHD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 March 2020

26. RELATED PARTY TRANSACTION (Contd.)

The Group's Directors personal compensation for the period under review are as follows:

	31.03.2020
	RM
Type of compensation	
Salaries and allowances (including employer EPF portion)(Executive directors)	3,077,508
Directors fee & allowances (Independent & non executive directors)	<u>37,598</u>
	<u>3,115,106</u>

27. UPDATE OF MEMORANDUM OF UNDERSTANDING

The Group has on 4 February 2015 entered into a Memorandum of Understanding ("MOU") in relation to a proposed hotel to be branded as " Hilton Kuala Lumpur City Centre & Residences", to be managed by Hilton Worldwide Manage Limited, for its Menara YNH Development in Kuala Lumpur City Centre. No further changes arise from the date of the MOU to the date of this interim report.

28. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 June 2020.

YNH PROPERTY BHD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 March 2020

29. SEGMENTAL REPORTING

	Property Development & Construction		Hotel & Hospitality		Adjustment & Elimination		Consolidated	
	31.03.2020 RM	31.03.2019 RM	31.03.2019 RM	31.03.2019 RM	31.03.2020 RM	31.03.2019 RM	31.03.2020 RM	31.03.2019 RM
Revenue								
External customers	56,416,927	61,935,711	10,170,808	12,860,073	-	-	66,587,735	74,795,784
							-	-
Results								
Interest income	11,476	80,150	-	-	-	-	11,476	80,150
Dividend income	-	-	-	-	-	-	-	-
Depreciation	1,474,246	1,724,948	1,090,306	1,137,052	-	-	2,564,552	2,862,000
Finance cost	7,340,932	8,213,437	263,523	127,333	-	-	7,604,455	8,340,770
Profit/(loss) before taxation	7,770,730	11,171,602	(3,587,382)	(613,239)	-	-	4,183,348	10,558,363
Segment assets	2,061,241,710	1,929,919,818	283,345,426	266,580,337	-	-	2,344,587,136	2,196,500,155
Segment liabilities	901,166,897	1,008,247,688	280,100,645	267,934,987	-	-	1,181,267,542	1,276,182,675