

Y&G CORPORATION BHD
(Formerly known as "Merces Holdings Berhad")
 (Co No : 6403-X)
 (Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30 Sept 2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 Sept 2007 RM'000	CURRENT YEAR TODATE 30 Sept 2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 Sept 2007 RM'000
Revenue	12,942	1,127	14,812	5,041
Operating expenses	(13,879)	(782)	(15,749)	(4,344)
Other operating income	-	-	-	-
Profit / (Loss) From Operations	(937)	345	(937)	697
Interest expenses	(256)	(200)	(496)	(561)
Interest income	-	-	-	-
Profit / (Loss) Before Tax	(1,193)	145	(1,433)	136
Taxation	(492)	-	(323)	-
Profit / (Loss) For The Period	(1,685)	145	(1,756)	136
Attributable to:				
Equity holders of the parent	(1,685)	146	(1,756)	137
Minority interests	-	(1)	-	(1)
	(1,685)	145	(1,756)	136
Profit / (Loss) attributable to equity holders of the parent :				
a) Basic Profit / (Loss) per share (Sen)	(3.30)	0.28	(3.44)	0.27
b) Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statement should be read in conjunction with the audited Annual Financial Report for the Year Ended 31 December 2007 and the accompanying notes attached to the interim financial statements)

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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2008

	As at end of Current Quarter 30 Sept 2008 RM'000	As at Preceding Year Ended 31 Dec 2007 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	48	0
Prepaid land lease payment	865	873
Investment properties	2,340	2,340
Land held for development	16,368	17,323
Investment in subsidiaries (not consolidated)	3,850	4,400
	<u>23,471</u>	<u>24,936</u>
CURRENT ASSETS		
Trade receivables	23,067	14,172
Other receivables and deposits	12,208	13,042
Cash and bank balances	305	1,590
	<u>35,580</u>	<u>28,804</u>
TOTAL ASSETS	<u><u>59,051</u></u>	<u><u>53,740</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of parent -		
Share capital	51,000	51,000
Accumulated losses	(34,444)	(32,688)
	<u>16,556</u>	<u>18,312</u>
MINORITY INTERESTS	2,064	2,064
TOTAL EQUITY	<u>18,620</u>	<u>20,376</u>
NON-CURRENT LIABILITY		
Long term borrowings	2,800	3,700
CURRENT LIABILITIES		
Trade payables	14,925	7,065
Non-trade payables and accruals	4,614	4,632
Amount due to directors	1,979	2,117
Short term borrowings	7,908	7,622
Taxation	8,205	8,228
	<u>37,631</u>	<u>29,664</u>
TOTAL LIABILITIES	40,431	33,364
TOTAL EQUITY AND LIABILITIES	<u><u>59,051</u></u>	<u><u>53,740</u></u>
Net assets / share attributable to ordinary equity holders of the parent (RM)	0.32	0.36

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited Annual Financial Report for the Year Ended 31 December 2007 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 2008

	Share Capital RM'000	Accumulated Losses RM'000	Minority Interests RM'000	TOTAL EQUITY RM'000
<u>Curent Quarter</u>				
Balance as at 1 January 2008	51,000	(32,688)	2,064	20,376
Loss for the period	0	(1,756)	0	(1,756)
Balance as at 30 September 2008	51,000	(34,444)	2,064	18,620
<u>Preceeding Year's Corresponding Quarter</u>				
Balance as at 1 January 2007	51,000	(28,881)	2,061	24,180
Profit for the period	0	136	(1)	135
Balance as at 30 September 2007	51,000	(28,745)	2,060	24,315

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Annual Financial Report for the Year Ended 31 December 2007 and the accompanying notes attached to the interim financial statements)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

	Current Quarter Ended 30 Sept 2008 RM'000	Preceding Year Quarter 30 Sept 2007 RM'000
(LOSS) / PROFIT BEFORE TAX	(1,433)	136
ADJUSTMENTS :		
Depreciation / amortization	8	79
Loss on disposal of property	762	0
Provision for impairment of investment	550	0
Provision for doubtful debts	1,767	0
Interest expenses	496	561
Operating Profit Before Working Capital Changes	2,150	776
CHANGES IN WORKING CAPITAL :		
Decrease/(Increase) in receivables	(9,828)	(4,439)
Decrease/(Increase) in development expenditure	(18)	0
(Decrease)/Increase in payables	7,704	6,845
Cash Generated From Operations	8	3,182
Taxes paid	(346)	0
Net Cash Flow (Used In) / Generated From Operating Activities	(338)	3,182
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(48)	0
Disposal of property	211	0
Net Cash Flow Generated From Investing Activities	163	0
FINANCING ACTIVITIES		
Net changes in bank borrowings	5	895
Repayment of bank borrowings	(900)	0
Interest expenses	(496)	(561)
Net Cash Flow (Used In) / Generated From Financing Activities	(1,391)	334
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,566)	3,516
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(4,154)	(15,747)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(5,720)	(12,231)
<u>Represented by :</u>		
Cash and bank balances	305	47
Bank Overdraft	(6,025)	(12,278)
	(5,720)	(12,231)

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited Annual Financial Report for the Year Ended 31 December 2007 and the accompanying notes attached to the interim financial statements)