

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

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE FORTH QUARTER ENDED 31 DECEMBER 2008**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 Dec 2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 Dec 2007 RM'000	CURRENT YEAR TODATE 31 Dec 2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 Dec 2007 RM'000
Revenue	11,362	4,419	26,174	9,460
Operating expenses	(11,955)	(8,602)	(26,941)	(12,939)
Other operating (expenses) / income	(170)	669	(932)	669
<b>Loss From Operations</b>	<b>(763)</b>	<b>(3,514)</b>	<b>(1,699)</b>	<b>(2,810)</b>
Interest expenses	(120)	81	(616)	(480)
Interest income	0	0	0	0
<b>Loss Before Tax</b>	<b>(883)</b>	<b>(3,433)</b>	<b>(2,315)</b>	<b>(3,290)</b>
Taxation	(608)	(514)	(931)	(514)
<b>Loss For The Year</b>	<b>(1,491)</b>	<b>(3,947)</b>	<b>(3,246)</b>	<b>(3,804)</b>
Attributable to:				
Equity holders of the parent	(1,488)	(3,951)	(3,243)	(3,807)
Minority interests	(3)	4	(3)	3
	<b>(1,491)</b>	<b>(3,947)</b>	<b>(3,246)</b>	<b>(3,804)</b>
<b>Profit / (Loss) attributable to equity holders of the parent :</b>				
a) Basic Loss per share (Sen)	(2.92)	(7.74)	(6.36)	(7.46)
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 31 DECEMBER 2008

	As at end of Current Quarter 31 Dec 2008 RM'000	As at Preceding Year Ended 31 Dec 2007 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	38	0
Prepaid land lease payment	863	873
Investment properties	2,340	2,340
Land held for development	16,368	17,323
Investment in subsidiaries (not consolidated)	3,300	4,400
	<u>22,909</u>	<u>24,936</u>
<b>CURRENT ASSETS</b>		
Trade receivables	21,639	14,172
Other receivables and deposits	11,374	13,042
Cash and bank balances	85	1,590
	<u>33,098</u>	<u>28,804</u>
<b>TOTAL ASSETS</b>	<u><u>56,007</u></u>	<u><u>53,740</u></u>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders of parent -		
Share capital	51,000	51,000
Accumulated losses	(35,931)	(32,688)
	<u>15,069</u>	<u>18,312</u>
<b>MINORITY INTERESTS</b>	<u>2,061</u>	<u>2,064</u>
<b>TOTAL EQUITY</b>	<u>17,130</u>	<u>20,376</u>
<b>NON-CURRENT LIABILITY</b>		
Long term borrowings	2,500	3,700
<b>CURRENT LIABILITIES</b>		
Trade payables	14,181	7,065
Non-trade payables and accruals	4,874	4,632
Amount due to directors	1,276	2,117
Short term borrowings	7,278	7,622
Taxation	8,768	8,228
	<u>36,377</u>	<u>29,664</u>
<b>TOTAL LIABILITIES</b>	<u>38,877</u>	<u>33,364</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>56,007</u></u>	<u><u>53,740</u></u>
Net assets / share attributable to ordinary equity holders of the parent (RM)	0.30	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 FORTH QUARTER ENDED 31 DECEMBER 2008**

	Share Capital RM'000	Accumulated Losses RM'000	Minority Interests RM'000	TOTAL EQUITY RM'000
<b><u>Curent Quarter</u></b>				
Balance as at 1 January 2008	51,000	(32,688)	2,064	20,376
Loss for the period	0	(3,243)	(3)	(3,246)
<b>Balance as at 31 December 2008</b>	<b>51,000</b>	<b>(35,931)</b>	<b>2,061</b>	<b>17,130</b>
				0
<b><u>Preceeding Year's Corresponding Quarter</u></b>				
Balance as at 1 January 2007	51,000	(28,881)	2,061	24,180
Loss for the period	0	(3,807)	3	(3,804)
<b>Balance as at 31 December 2007</b>	<b>51,000</b>	<b>(32,688)</b>	<b>2,064</b>	<b>20,376</b>

(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)

**Y&G CORPORATION BHD**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE FORTH QUARTER ENDED 31 DECEMBER 2008**

	Current Quarter Ended 31 Dec 2008 RM'000	Preceding Year Quarter 31 Dec 2007 RM'000
<b>LOSS BEFORE TAX</b>	(2,315)	(3,290)
ADJUSTMENTS :		
Depreciation / amortization	20	25
Loss on disposal of property	762	0
Provision for impairment of investment	1,100	3,884
Provision for doubtful debts	3,535	13,261
Loss on deconsolidation of subsidiaries	0	1,843
Non-trade payables written off	0	(661)
Waiver of term loan interest	0	(8)
Interest expenses	616	480
<b>Operating Profit Before Working Capital Changes</b>	<b>3,718</b>	<b>15,534</b>
CHANGES IN WORKING CAPITAL :		
Decrease/(Increase) in receivables	(9,334)	8,325
Decrease/(Increase) in development expenditure	(18)	2,111
(Decrease)/Increase in payables	6,517	(751)
<b>Cash Generated From Operations</b>	<b>883</b>	<b>25,219</b>
Taxes paid	(391)	0
<b>Net Cash Flow Generated From Operating Activities</b>	<b>492</b>	<b>25,219</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(48)	0
Disposal of property	211	0
Net cash outflow from deconsolidation of subsidiaries	0	(4,195)
Deconsolidation of investment in subsidiaries	0	(5,500)
<b>Net Cash Flow Generated From / (Used In) Investing Activities</b>	<b>163</b>	<b>(9,695)</b>
<b>FINANCING ACTIVITIES</b>		
Net changes in bank borrowings	10	20
Repayment of bank borrowings	(1,200)	(3,471)
Interest expenses	(616)	(480)
<b>Net Cash Flow Used In Financing Activities</b>	<b>(1,806)</b>	<b>(3,931)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,151)</b>	<b>11,593</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>(4,154)</b>	<b>(15,747)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>(5,305)</b>	<b>(4,154)</b>
<u>Represented by :</u>		
Cash and bank balances	85	1,590
Bank Overdraft	(5,390)	(5,744)
	<b>(5,305)</b>	<b>(4,154)</b>

(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)