

**Y&G CORPORATION BHD**  
**(Formerly known as "Merces Holdings Berhad")**

(Co No : 6403-X)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2009**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 Mar 2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 Mar 2008 RM'000	CURRENT YEAR TODATE 31 Mar 2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 Mar 2008 RM'000
Revenue	8,237	642	8,237	642
Operating expenses	(7,893)	(671)	(7,893)	(671)
Other operating (expenses) / income	0	0	0	0
<b>Profit / (Loss) From Operations</b>	<b>344</b>	<b>(29)</b>	<b>344</b>	<b>(29)</b>
Interest expenses	(120)	(120)	(120)	(120)
Interest income	0	0	0	0
<b>Profit / (Loss) Before Tax</b>	<b>224</b>	<b>(149)</b>	<b>224</b>	<b>(149)</b>
Taxation	(390)	0	(390)	0
<b>Loss For The Period</b>	<b>(166)</b>	<b>(149)</b>	<b>(166)</b>	<b>(149)</b>
Attributable to:				
Equity holders of the parent	(166)	(149)	(166)	(149)
Minority interests	0	0	0	0
	<b>(166)</b>	<b>(149)</b>	<b>(166)</b>	<b>(149)</b>
<b>Profit / (Loss) attributable to equity holders of the parent :</b>				
a) Basic Loss per share (Sen)	(0.33)	(0.29)	(0.33)	(0.29)
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 2008 and the accompanying notes attached to the interim financial statements)

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**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009**

	As at end of Current Quarter 31 Mar 2009 RM'000	As at Preceding Year Ended 31 Dec 2008 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	36	38
Prepaid land lease payment	860	863
Investment properties	2,340	2,340
Land held for development	16,383	16,368
Investment in subsidiaries (not consolidated)	3,025	3,300
	<u>22,644</u>	<u>22,909</u>
<b>CURRENT ASSETS</b>		
Trade receivables	26,047	21,639
Other receivables and deposits	10,958	11,374
Cash and bank balances	1,402	85
	<u>38,407</u>	<u>33,098</u>
<b>TOTAL ASSETS</b>	<b><u>61,051</u></b>	<b><u>56,007</u></b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders of parent -		
Share capital	51,000	51,000
Accumulated losses	(36,121)	(35,955)
	<u>14,879</u>	<u>15,045</u>
<b>MINORITY INTERESTS</b>	2,066	2,066
<b>TOTAL EQUITY</b>	<u>16,945</u>	<u>17,111</u>
<b>NON-CURRENT LIABILITY</b>		
Long term borrowings	2,200	2,500
<b>CURRENT LIABILITIES</b>		
Trade payables	18,790	14,199
Non-trade payables and accruals	4,868	4,875
Amount due to directors	2,469	1,276
Short term borrowings	6,648	7,278
Taxation	9,131	8,768
	<u>41,906</u>	<u>36,396</u>
<b>TOTAL LIABILITIES</b>	44,106	38,896
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>61,051</u></b>	<b><u>56,007</u></b>
	-	-
Net assets / share attributable to ordinary equity holders of the parent (RM)	0.29	0.30

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited Annual Financial Report for the Year Ended 31 December 2008 and the accompanying notes attached to the interim financial statements)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2009**

	Share Capital RM'000	Accumulated Losses RM'000	Minority Interests RM'000	TOTAL EQUITY RM'000
<b><u>Current Quarter</u></b>				
Balance as at 1 January 2009	51,000	(35,955)	2,066	17,111
Loss for the period	0	(166)	0	(166)
<b>Balance as at 31 March 2009</b>	<b>51,000</b>	<b>(36,121)</b>	<b>2,066</b>	<b>16,945</b>
<b><u>Preceding Year's Corresponding Quarter</u></b>				
Balance as at 1 January 2008	51,000	(32,688)	2,064	20,376
Loss for the period	0	(149)	0	(149)
<b>Balance as at 31 March 2008</b>	<b>51,000</b>	<b>(32,837)</b>	<b>2,064</b>	<b>20,227</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 2008 and the accompanying notes attached to the interim financial statements)

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2009**

	<b>Current Quarter Ended 31 Mar 2009 RM'000</b>	<b>Preceding Year Quarter 31 Mar 2008 RM'000</b>
<b>PROFIT / (LOSS) BEFORE TAX</b>	224	(149)
ADJUSTMENTS :		
Depreciation / amortization	5	3
Provision for impairment of investment	275	0
Provision for doubtful debts	866	0
Interest expenses	120	120
<b>Operating Profit / (Loss) Before Working Capital Changes</b>	<b>1,490</b>	<b>(26)</b>
CHANGES IN WORKING CAPITAL :		
Decrease/(Increase) in receivables	(4,858)	1,072
Decrease/(Increase) in development expenditure	(15)	0
(Decrease)/Increase in payables	5,777	(1,042)
<b>Cash Generated From Operations</b>	<b>2,394</b>	<b>4</b>
Taxes paid	(27)	0
<b>Net Cash Flow Generated From Operating Activities</b>	<b>2,367</b>	<b>4</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	0	(33)
Disposal of property	0	0
<b>Net Cash Flow Generated From / (Used In) Investing Activities</b>	<b>0</b>	<b>(33)</b>
<b>FINANCING ACTIVITIES</b>		
Net changes in bank borrowings	5	6
Repayment of bank borrowings	(300)	(300)
Interest expenses	(120)	(120)
<b>Net Cash Flow Used In Financing Activities</b>	<b>(415)</b>	<b>(414)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,952</b>	<b>(443)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>(5,305)</b>	<b>(4,154)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>(3,353)</b>	<b>(4,597)</b>
<u>Represented by :</u>		
Cash and bank balances	1,402	1,262
Bank Overdraft	(4,755)	(5,859)
	<b>(3,353)</b>	<b>(4,597)</b>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited Annual Financial Report for the Year Ended 31 December 2008 and the accompanying notes attached to the interim financial statements)