

Y&G CORPORATION BHD
(Company No. 6403-X)
(Incorporated in Malaysia)

PART A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1. BASIS OF PREPARATION

The Interim Financial Statements for the fourth quarter ended 31 December 2014 are unaudited and have been prepared in accordance with the requirements of FRS 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 Malaysia"). The Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013.

These explanatory notes attached to the Interim Financial Statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2013.

A2. 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 2013, except for the compliance with the new/ revised Financial Reporting Standards ("FRSs") that came into effect during the financial quarter under review.

The adoption of the new/revised FRSs that came into effect during the financial quarter under review do not have any significant financial impact on the Group's financial result for the financial quarter under review nor the Group's shareholders' funds as at 31 December 2014.

The Malaysian Accounting Standard Board ("MASB") had issued a new approved accounting framework, the MFRS Framework, to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and MFRS 15 Revenue from Contracts with Customers, including its parent, significant investor and venture (herein referred as "Transitioning Entity").

A Transitioning Entity is allowed to defer adoption of the new MFRS Framework for another five (5) years. Consequently, adoption of the MFRS Framework by Transitioning Entity will be mandatory for annual periods beginning on or after 1 January 2017.

The Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2017. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group and the Company have yet to determine the financial impact arising from the adoption of the MFRS framework.

A3. AUDITORS' REPORT ON PRECEDING AUDITED FINANCIAL STATEMENTS

The auditors' report on the Audited Financial Statements for the year ended 31 December 2013 was not subject to any qualification.

A4. 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.

A5. 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.

A6. 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.

A7. DEBT AND EQUITY SECURITIES

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

A8. DIVIDENDS PAID

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

A9. PROFIT BEFORE TAX

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	160	92	432	409
Goodwill on consolidation written-off	-	-	3	-
Rental income	(9)	-	(36)	-
Provision for corporate guarantee	144	72	144	72
Reversal of provision for corporate guarantee	-	(3,990)	-	(3,990)
Amount due from subsidiary disposed written off	21	-	21	-
Gain on disposal of subsidiary company	(38)	-	(38)	-

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.

A10. SEGMENTAL INFORMATION

The analysis of the Group's operations for the financial year ended 31 December 2014 are as follows :-

	<u>Investment Holding & Others</u>	<u>Property Development & Investment</u>	<u>GROUP</u>
	RM'000	RM'000	RM'000
Segment Revenue - External	-	109,403	109,403
Segment Results	6	19,299	19,305
Bargain Purchase			3,299
Corporate Exercise Costs			(2,480)
Interest Income			438
Interest Expenses			(17)
Profit Before Tax			20,545
Taxation			(4,948)
Profit For The Year			15,597

A11. 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 2013.

A12. 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 Statement for the current financial quarter as at the date of this Quarterly Report except for the Proposed Rights Issue by the Company's subsidiary, Bumida Engineering & Construction Sdn Bhd, of 9,000,000 Rights Shares on the basis of nine (9) Rights Shares for every one (1) existing Share held, and which was duly approved together with the increase in its Authorised Share Capital to RM10,000,000 at the Extraordinary General Meeting held on 12 January 2015.

A13. CHANGES IN COMPOSITION OF THE GROUP

There was no material change in the composition of the Group for the current quarter ended 31 December 2014 except for the following :-

- (i) The Company's wholly-owned subsidiary, Hala Kota Development Sdn Bhd, had on 6 May 2014, acquired two (2) ordinary shares of RM1.00 each representing the entire equity in Solid Spectra Sdn Bhd ("the Acquiree") from Dato' Yap Jun Jien and Yap Jun Wei for a cash consideration of RM2.00 (Ringgit Malaysia: Two) only ("the Acquisition"). The financial statements of the Acquiree were consolidated into the Group since that financial quarter.

The Acquiree was incorporated in Malaysia and is currently dormant. The intended principal activity of the Acquiree is property development and construction. The effective % equity held in the Acquiree is 100%.

The value of the Acquiree's liabilities assumed were as follows :-

	<u>Amount</u> RM'000
Other payables & accruals	(3)
Value of total Net Liabilities	(3)
Goodwill on consolidation (#)	3
Total cost of acquisition	-
Cash outflow arising on acquisition	
Purchase consideration satisfied by cash	-
Cash and cash equivalents of Acquiree acquired	-
Net cash outflow to the Group	-

(#) : The Goodwill on consolidation was written-off as expense during the second quarter ended 30 June 2014.

- (ii) The Company had on 19 November 2013 entered into two (2) Sale & Purchase Agreements with the Vendors of Magna Rembang Sdn Bhd ("MRSB") and Kualiti Kinta Sdn Bhd ("KKS"), to acquire the entire equity interests in the Acquirees (including the assumption of amount owing by KKS to its Director), for an aggregate purchase consideration of RM19,343,808 to be satisfied via the issue of 19,093,810 irredeemable convertible preference shares ("ICPS") at an issue price of RM1.00 per ICPS together with 9,546,905 free Warrants and cash payment of RM249,998 ("Proposed Acquisitions"). The Proposed Acquisitions were completed on 14 November 2014 with the Acquirees' financial statements being consolidated into the Group during the current financial quarter.

The principal activities and effective % equity held in the Acquirees, all of which are incorporated in Malaysia, are as follows :-

<u>Acquirees</u>	<u>Principal Activities</u>	<u>Effective % Equity Held</u>
Magna Rembang Sdn Bhd	Property development	100 %
Kualiti Kinta Sdn Bhd	Property development	100 %
Cosmic Harmony Sdn Bhd (*)	Investment holding company	100 %

(*) : Wholly-owned subsidiary of Kualiti Kinta Sdn Bhd.

The fair value of the Acquirees' assets acquired and liabilities assumed were as follows :-

	<u>Amount</u> RM'000
Property, plant & equipment	348
Property development costs	32,998
Trade receivables	2,167
Other receivables, deposits & prepayments	5,621
Cash & bank balances	6,380
Trade payables	(23,731)
Other payables & accruals	(61)
Amount due to directors	(479)
Short term borrowings	(151)
Taxation	1,063
Deferred taxation	(1,512)
Fair value of total Net Assets	<hr/> 22,643
Bargain purchase (#)	(3,299)
Total cost of acquisition	<hr/> 19,344 <hr/>
Cash outflow arising on acquisition	
Purchase consideration satisfied by cash	250
Cash and cash equivalents of Acquiree acquired	(6,380)
Net cash inflow to the Group	<hr/> 6,130 <hr/>

(#) : This represent the pre-acquisition results (net of tax) of the Acquirees till the date of consolidation into the Group and being recognised as income during the current financial quarter.

- (iii) The Company had on 31 December 2014, disposed off its wholly-owned subsidiary, Nikmat Bidara Sdn Bhd, for a cash consideration of RM2.

The disposal had the following effects on the financial position of the Group as at the end of the financial year :-

	<u>Amount</u> RM'000
Other payables & accruals	(38)
Net liabilities disposed	<hr/> (38)
Disposal proceed	-
Gain on disposal to the Group	<hr/> (38) <hr/>
Cash inflow arising on disposal	
Cash on consideration	-
Cash and cash equivalents of subsidiary disposed	-
Net cash inflow to the Group	<hr/> - <hr/>

A14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There was no material contingent liabilities and/or contingent assets as at the date of this Quarterly Report.

A15. CAPITAL COMMITMENTS

There were no material capital commitments which are not provided for in the Interim Financial Statements, as at the date of this Quarterly Report, except for a subsidiary's outstanding capital commitment amounting to RM0.54 million (2013 : RM5.0 million) which have been contracted but not provided for in the financial statements. This commitment is in respect of the balance of development cost for the construction of a commercial building on the said subsidiary's freehold land.

PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

The Group's revenue was mainly derived from the development activities for the current financial quarter and year-to-date ended 31 December 2014.

Turnover for the current financial quarter was substantially higher at RM40.30 million, an increase of RM16.70 million, as compared to the preceding year's corresponding quarter of RM23.60 million. Turnover for the current financial year-to-date was at RM109.40 million which was almost the same as that of the preceding year's corresponding year-to-date of RM109.88 million. The increase in turnover for the current financial quarter was mainly due to the revenue contributed by the newly acquired and consolidated subsidiary.

Despite the writing-off of Corporate Exercise Cost of RM2.48 million, profit after tax for the current financial quarter and year-to-date were higher at RM7.09 million and RM15.60 million respectively as compared to the preceding year's corresponding profit after tax of RM3.35 million and RM7.93 million respectively. The higher profit after tax for the current financial quarter was mainly due to the substantial increase in turnover and the recognition of Bargain Purchase (as explained under Item A13 (ii) above). Whereas the higher profit after tax for the current financial year-to-date was mainly due to the same reasons coupled with lower marketing & promotion expenses (which has been substantially incurred in the initial development stage) and finance costs.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S REPORT

Turnover for the current financial quarter ended 31 December 2014 was substantially higher at RM40.30 million, an increase of RM16.38 million, as compared to the preceding financial quarter of RM23.92 million, mainly due to the revenue contributed by the newly acquired and consolidated subsidiary.

Despite the writing-off of Corporate Exercise Costs of RM2.48 million, profit before tax for the current financial quarter was higher at RM8.94 million as compared to the preceding financial quarter of RM4.20 million, mainly due to the substantial increase in turnover and the recognition of Bargain Purchase (as explained above).

B3. CURRENT YEAR PROSPECTS

In view that the market for the property development is sustaining and the recent completion of the Corporate Proposals (as referred to under Item B8 below) in the current financial quarter, the Directors expect an improvement in the revenue of the Group for the financial year ending 31 December 2015.

B4. PROFIT FORECAST AND PROFIT GUARANTEE

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

B5. TAXATION

The taxation charge for the Group are as follows :-

	Current Quarter	Current Year-To-Date
	RM'000	RM'000
Income tax - current year	(2,276)	(6,652)
- (under)/overprovision in prior year	-	(91)
Deferred tax	427	1,795
	<u>(1,849)</u>	<u>(4,948)</u>

The Group's effective tax rate for both the current financial quarter and year-to-date are higher than the Malaysian statutory tax rate of 25% due to the non-existence of group tax relief and certain expenses being non-deductible for income tax purposes.

B6. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There was no sale of unquoted investments and/or properties (classified under "Asset Held For Sale") for the current financial quarter and year-to-date, except for a disposal of a freehold land to a third party via a conditional sale and purchase agreement in the previous financial year, but the said disposal has yet to be accounted for in the financial statements pending fulfillment of one (1) of the last conditions precedents stated therein. However, the said disposal (which is expected to be completed in the 1st Quarter of 2015) has no material financial effect to the Group's result for both the current financial quarter and year-to-date.

B7. QUOTED SECURITIES

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

B8. CORPORATE PROPOSALS

The followings are the events relating to the Group's Corporate Proposals since their first announcements :

- (a) On 17 September 2013, AmInvestment Bank Berhad ("AIBB") had announced the following corporate proposals (hereinafter collectively referred to as the "Earlier Announced Proposals") on behalf of Y&G:
 - (i) Hala Kota Development Sdn Bhd ("**HKDSB**"), a wholly owned subsidiary of Y&G had on 17 September 2013 entered into a sale and purchase agreement for the proposed acquisition of a leasehold land measuring approximately 107.965 hectares, held under H.S.(D) 129802, Lot 126299, within Mukim and District of Klang, Selangor Darul Ehsan ("**KESAS Land**") with the Malaysian Agriculture Research and Development Institute ("**MARDI**") for a total cash consideration amounting to RM100.0 million ("**Proposed Land Acquisition**");
 - (ii) Proposed issue of free warrants in Y&G ("**Warrants**") of 15,386,900 Warrants on the basis of one (1) Warrant for every ten (10) existing ordinary share of RM1.00 each in Y&G ("**Y&G Share(s)**" or "**Share(s)**") held by the entitled shareholders of the Company ("**Entitled Shareholders**") on the entitlement date to be determined and announced later ("**Entitlement Date**") ("**Proposed Free Warrants**");

- (iii) Proposed renounceable rights issue of up to 30,773,800 new Y&G Shares (“**Rights Share(s)**”) together with up to 15,386,900 new detachable Warrants on the basis of two (2) Rights Shares together with one (1) Warrant for every ten (10) existing Y&G Shares held by the Entitled Shareholders on the Entitlement Date (“**Proposed Rights Issue with Warrants**”); and
 - (iv) Proposed private placement of up to 15,386,900 new Y&G Shares (“**Placement Shares**”), representing approximately ten percent (10%) of the issued and paid-up share capital of Y&G together with up to 7,693,450 new detachable Warrants on the basis of one (1) Warrant for every two (2) Placement Shares subscribed (“**Proposed Private Placement with Warrants**”).
- (b) On 30 September 2013, AIBB had announced on behalf of Y&G that the valuation report prepared by Messrs Jones Lang Wootton dated 13 September 2013 for the KESAS Land in relation to the Proposed Land Acquisition had been submitted to Bursa Malaysia.
- (c) On 19 November 2013, AIBB had further announced the following additional corporate proposals (hereinafter collectively referred to as the “New Proposals”) on behalf of Y&G:
- (i) Y&G had on 19 November 2013 entered into the following agreements:-
 - 1) conditional sale and purchase agreement (“**SPA**”) with Dato’ Yap Jun Jien, Gan Li Ching and Yap Jun Wei (“**MRSB Vendors**”) for the proposed acquisition of 1,000,000 ordinary shares of RM1.00 each in Magna Rembang Sdn Bhd (“**MRSB**”) (“**MRSB Share(s)**”), representing 100.0% of the issued and paid-up share capital of MRSB for an indicative purchase consideration of RM11,403,000 to be satisfied via the issuance of irredeemable convertible preference shares of RM1.00 each in Y&G (“**ICPS**”) together with free warrants in Y&G on the basis of one (1) Warrant for every two (2) ICPS issued (“**Warrants**”) (“**MRSB SPA**”) (“**Proposed MRSB Acquisition**”);
 - 2) conditional SPA with Dato’ Yap Jun Jien and Yap Jun Wei (“**KKSB Vendors**”) for the proposed acquisition of 2 ordinary shares of RM1.00 each in Kualiti Kinta Sdn Bhd (“**KKSB**”) (“**KKSB Share(s)**”), representing 100.0% of the issued and paid-up share capital of KKSB for an indicative total purchase consideration together with the proposed settlement of the amount owing by KKSB and its subsidiary (“**KKSB Group**”) to Dato’ Yap Jun Jien (“**Amount Owing by KKSB Group**”) for an indicative total purchase consideration of RM7,690,810 to be satisfied via the issuance of ICPS together with Warrants (“**KKSB SPA**”) (“**Proposed KKSB Acquisition**”); and
 - 3) conditional SPA with Dato’ Sri Yap Seng Yew (“**FDSB Vendor**”) for the proposed acquisition of 125,000 ordinary shares of RM1.00 each in Fortuneprop Development Sdn Bhd (“**FDSB**”) (“**FDSB Share(s)**”), representing 50.0% of the issued and paid-up share capital of FDSB for an indicative total purchase consideration of RM6,723,000 to be satisfied via the issuance of ICPS together with Warrants (“**FDSB SPA**”) (“**Proposed FDSB Acquisition**”).

Item (1) – (3) are hereinafter referred to as the “**Proposed Related Party Acquisitions**”.

- (ii) Y&G proposes to make amendments to the Memorandum and Articles of Association of Y&G (“**M&A**”) to facilitate the issuance of the ICPS pursuant to the Proposed Related Party Acquisitions (“**Proposed M&A Amendments**”).

The New Proposals and the Earlier Announced Proposals are collectively referred to as “**Corporate Proposals**”.

- (d) On 27 December 2013, AIBB had announced on behalf of Y&G that an application had been submitted to Bursa Malaysia in respect of :-
- (i) The admission of the Warrants to the official list of Bursa Malaysia and the initial listing application of and quotation for up to 51,375,655 Warrants to be issued pursuant to the Proposed Free Warrants, Proposed Rights Issue with Warrants, Proposed Private Placement with Warrants, Proposed MRSB Acquisition, Proposed KKSB Acquisition and Proposed FDSB Acquisition on the Main Market of Bursa Malaysia (“**the Main Market**”); and
 - (ii) The additional listing application for the listing of and quotation on the Main Market for the following :-
 - (1) Up to 30,773,800 new Y&G Shares to be issued pursuant to the Proposed Rights Issue with Warrants on the Main Market;
 - (2) Up to 15,386,900 new Y&G Shares to be issued pursuant to the Proposed Private Placement with Warrants on the Main Market;
 - (3) Up to 25,816,810 new Y&G Shares to be issued pursuant to the conversion of the ICPS on the Main Market; and
 - (4) Up to 51,375,655 new Y&G Shares to be issued pursuant to the exercise of the Warrants on the Main Market.
- (e) On 18 February 2014, AIBB had announced on behalf of Y&G the final purchase consideration of MRSB (RM11,403,000), KKSB (RM7,940,808) and FDSB (RM6,722,000) following the completion of the special audit of the said Acquiree Companies.
- (f) On 28 February 2014, AIBB had announced on behalf of Y&G that Bursa Malaysia had vide its letter dated 28 February 2014, given its approval for the admission of Warrants on the Official List of Bursa Malaysia as well as the listing of and quotation for the Warrants, Rights Shares, Placement Shares and new Y&G Shares to be issued pursuant to the exercise of the Warrants and conversion of ICPS on the Main Market of Bursa Malaysia. The Circular to Shareholders and Notice of EGM dated 14 March 2014 (“EGM Notice”) convening the EGM on 11 April 2014 to seek shareholders’ approval, have been circulated out to the shareholders.
- (g) On 11 April 2014, Y&G had announced that the resolutions set out in the above EGM Notice were duly passed by the shareholders at the EGM held on 11 April 2014.
- (h) On 16 May 2014, AIBB had announced on behalf of Y&G that Y&G and the respective Vendors, had mutually agreed to extend the Stop Date of the MRSB SPA, KKSB SPA and FDSB SPA to 11 August 2014 to facilitate the fulfilment of the conditions precedent. Based on the terms of the MRSB SPA, KKSB SPA and FDSB SPA, the conditions precedent contained therein shall be fulfilled by a date falling six (6) months from the date of the respective SPA i.e. 18 May 2014 (“Stop Date”) or such later date as Y&G and the respective vendors may mutually agree in writing.
- (i) On 10 June 2014, AIBB had announced that HKDSB and MARDI had mutually agreed to extend the KESAS Land Cut-Off Date to 30 October 2014. The KESAS Land SPA provides that in the event that the conditions precedent contained therein shall not be fulfilled within nine (9) months from the date of the KESAS Land SPA i.e. 16 June 2014 (“KESAS Land Cut-Off Date”) or such extended period or periods as may be extended by mutual consent of HKDSB and MARDI, then either party shall be at liberty to terminate the KESAS Land SPA by notice in writing to the other party.

- (j) On 12 August 2014, AIBB had announced on behalf of Y&G that the MRSB SPA and KKSBB SPA had become unconditional on 11 August 2014 following the fulfillment of the conditions precedent of MRSB SPA and KKSBB SPA, and that Y&G had on the same date mutually agreed with the MRSB Vendors and the KKSBB Vendors respectively to fix the respective completion date on 1 October 2014. In addition AIBB also announced that Y&G and the FDSB Vendor had mutually agreed to further extend the Stop Date of the FDSB SPA to 30 September 2014 to facilitate the fulfillment of the conditions precedent of the FDSB SPA.
- (k) On 13 August 2014, AIBB had announced on behalf of Y&G that Y&G had on 13 August 2014 applied to Bursa Malaysia for an extension of time for the implementation of the Corporate Proposals.
- (l) On 30 September 2014, AIBB had announced on behalf of Y&G that Y&G and the FDSB Vendor, had on 30 September 2014, mutually agreed to further extend the Stop Date of the FDSB SPA to 7 November 2014. In addition AIBB had also announced that Y&G had on 30 September 2014, mutually agreed with the MRSB Vendors and KKSBB Vendors respectively to fix a new Completion Date to take place on 14 November 2014.
- (m) On 8 October 2014, AIBB had announced that Bursa Malaysia had, vide its letter dated 7 October 2014, approved an extension of time of six (6) months from 28 August 2014 to 27 February 2015 for Y&G to implement the Corporate Proposals.
- (n) On 8 October 2014, AIBB had announced on behalf of Y&G the following:-
- (i) The issue price of the Placement Shares has been fixed at RM1.00 per Placement Shares (“Placement Issue Price”);
 - (ii) The issue price of the Rights Shares has been fixed at RM1.00 per Rights Share (“RI Issue Price”); and
 - (iii) The exercise price of the Warrants has been fixed at RM1.00 per Warrant (“Warrant Price”).
- AIBB had also announced on behalf of Y&G that Y&G had on 8 October 2014, executed the deed poll constituting the Warrants.
- (o) In addition to the above, AIBB had also on 8 October 2014 announced on behalf of Y&G the following:-
- (i) The Entitlement Date for the Proposed Free Warrants for the Entitled Shareholders whose names appeared in Y&G’s Record of Depositors as at 5.00 p.m. on 23 October 2014;
 - (ii) The Entitlement Date for the Proposed Rights Issue with Warrants for the Entitled Shareholders whose names appeared in Y&G’s Record of Depositors as at 5.00 p.m. on 23 October 2014; and
 - (iii) The important relevant dates for the renounceable rights issue with warrant.
- (p) On 31 October 2014, AIBB had announced on behalf of Y&G that HKDSB had, via a letter dated 30 October 2014 to MARDI, sought to extend the KESAS Land Revised Cut-off Date for another six (6) months up to 30 April 2015 (“Extension of Time”).
- (q) On 5 November 2014, AIBB had announced on behalf of Y&G that HKDSB had on 5 November 2014, received a letter from its SPA lawyer, Ho, Loke & Co Advocates & Solicitors informing that MARDI had rejected the Extension of Time and notified HKDSB that the SPA was terminated in view that the Conditions Precedent, namely EPU Approval, SA’s Consent and Estate Land Board Approval were not obtained within the KESAS Land Revised Cut-off Date.
- (r) On 7 November 2014, AIBB had announced on behalf of Y&G that Y&G and the FDSB Vendor, had on 7 November 2014, mutually agreed to further extend the FDSB Stop Date to 14 November 2014 (“**FDSB Further Extended Stop Date**”).

- (s) On 14 November 2014, AIBB had announced on behalf of Y&G that the MRSB Acquisition and KKS Acquisition had been completed on 14 November 2014. Further, AIBB had also announced on behalf of Y&G that the FDSB SPA had been rescinded as a result of the non-satisfaction of the FDSB Condition Precedent in respect of the private caveat by the agreed FDSB Further Extended Stop Date and that both the FDSB Parties are released from all obligations thereunder and neither of them shall have any claim against the other in respect of the FDSB SPA.
- (t) On 14 November 2014, AIBB had also announced on behalf of Y&G that as at the close of acceptance, excess application and payment for the Rights Issue with Warrants at 5.00 p.m. on 7 November 2014, Y&G had received valid acceptance and excess applications for a total of 30,128,419 Rights Shares. This represented an under-subscription of 645,381 Rights Shares or approximately 2.10% below the total number of Rights Shares available for subscription under the Rights Issue with Warrants. Nevertheless, the minimum subscription level of 26,299,089 Rights Shares had been met.
- (u) On 19 November 2014, AIBB had submitted on behalf of Y&G the Quotation documents to Bursa Malaysia and the Letter of Final Basis of Allotment of Rights Shares with Warrants dated 19 November 2014 to Securities Commission.
- (v) On 20 November 2014, AIBB had announced on behalf of Y&G the additional listing of 30,128,419 Rights Shares and 15,386,900 Placement Shares and also the listing and profile of the 47,690,767 warrants issued pursuant to the Rights Issue with Warrants, Free Warrants, Related Party Acquisition and Private Placement with Warrants, all to be listed on 21 November 2014.
- (w) On 21 November 2014, AIBB had submitted on behalf of Y&G the Completion Letter dated 21 November 2014 for the Corporate Proposals to Bursa Malaysia and at the same time announced the listing and quotation of the 30,128,419 Rights Shares, 15,386,900 Placement Shares and 47,690,767 Warrants issued pursuant to the Corporate Proposals on the Main Market of Bursa Malaysia with effect from 9.00 a.m. on 21 November 2014, marking the completion of the Corporate Proposals.

As at the date of this Quarterly Report, save for the termination of the Proposed Land Acquisition and the rescission of the Proposed FDSB Acquisition, the other Corporate Proposals have been fully completed. For further information of the Corporate Proposals, please refer to the detailed announcements in the Bursa Malaysia's Website.

Public Shareholding Spread

The followings are the events pertaining to the Company's Public Shareholding Spread during the current financial year till the date of this Quarterly Report:

- (a) On 27 March 2014, Y&G had announced that the Company had on 27 March 2014 submitted an application to Bursa Malaysia to seek a further 7th Extension of time of twelve (12) months from 1 April 2014 to 31 March 2015 ("**7th Extension**") to comply with the PSS Requirement.
- (b) On 21 April 2014, Y&G had announced, that Bursa Malaysia had, vide its letter dated 21 April 2014, granted the 7th Extension but only for a further three (3) months until 30 June 2014 to comply with the PSS Requirement.
- (c) On 18 June 2014, Y&G had announced that the Company had on 18 June 2014 submitted an application to Bursa Malaysia to seek a further 8th Extension of time of eleven (11) months from 1 July 2014 to 31 May 2015 ("**8th Extension**") to comply with the PSS Requirement.
- (d) On 4 July 2014, Y&G had submitted an update status of the Corporate Proposals to Bursa Malaysia in relation to the above 8th Extension application.

- (e) On 9 October 2014, Y&G had announced that Bursa Malaysia had, vide its letter dated 8 October 2014, granted the 8th Extension but only for a further six (6) months until 31 December 2014 to comply with the PSS Requirement.
- (f) On 19 December 2014, Y&G had announced that the Company had on 19 December 2014 submitted an application to Bursa Malaysia to seek a further 9th Extension of time of five (5) months from 1 January 2015 to 31 May 2015 (“9th Extension”) to comply with the PSS Requirement.
- (g) On 9 January 2015, Y&G had submitted a more elaborative clarification in support of the justification to the above 9th Extension application via its letter dated 9 January 2015 to Bursa Malaysia. However, Y&G has yet to receive an official reply from Bursa Malaysia until to-date.
- (h) As at 16 February 2015, the public shareholding spread of the Company was at 19.71 %.

B9. **GROUP BORROWINGS AND DEBT SECURITIES**

Group Borrowings as at 31 December 2014 are as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
(a) Short Term Borrowings :			
Finance lease obligation	164	-	164
Term loan	-	-	-
	164	-	164
(b) Long Term Borrowings :			
Finance lease obligation	272	-	272
Term loan	-	-	-
	272	-	272
Total Borrowings	436	-	436

There was no borrowing or debt security denominated in foreign currencies.

B10. **OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

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

B11. DISCLOSURE OF REALISED AND UNREALISED ACCUMULATED PROFITS

Bursa Malaysia has on 25 March 2010 issued a directive which requires all listed companies to disclose a breakdown of the accumulated profits or losses as at the end of the reporting period, into realised and unrealised profits or losses, for the purpose of greater transparency. The breakdown of the Group's accumulated profits as at 31 December 2014, pursuant to the format prescribed by Bursa Malaysia, is as follows :

	As at 31 December 2014	As at 30 September 2014
	RM'000	RM'000
Realised	44,970	39,335
Unrealised	(8,991)	(7,905)
Total Group's Accumulated Profits	<u>35,979</u>	<u>31,430</u>

B12. MATERIAL LITIGATIONS

The changes in material litigations (including status of any pending material litigations) since the previous Quarterly Report are listed in the Appendix 1 attached hereto.

B13. DIVIDEND

The Board of Directors is declaring an interim single-tier dividend of 5.0 sen per Ordinary Share in respect of the current financial year ended 31 December 2014, to be paid on 20 March 2015 to shareholders registered on the Register of Depositors at the close of business on 10 March 2015.

B14. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the total 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)	7,133	15,733
Weighted average number of ordinary share in issue ('000)	184,213	161,455
Earnings per share (sen)	3.87	9.74
Diluted EPS (sen)	3.12	9.12

By Order of the Board

Wong Keo Rou (MAICSA 7021435)
Secretary
Kuala Lumpur
Date : 17 February 2015