

# Y&G CORPORATION BHD

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

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 Dec 2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 Dec 2014 RM'000	CURRENT YEAR TODATE 31 Dec 2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 Dec 2014 RM'000
Revenue	8,403	40,297	165,626	109,403
Operating expenses	(7,684)	(32,429)	(130,463)	(90,588)
Other operating income	243	-	2,175	490
<b>Profit From Operations</b>	<b>962</b>	<b>7,868</b>	<b>37,338</b>	<b>19,305</b>
Bargain purchase	-	3,299	-	3,299
Corporate exercise costs	-	(2,480)	-	(2,480)
Interest income	(14)	258	1,430	438
Interest expenses	(8)	(6)	(25)	(17)
<b>Profit Before Tax</b>	<b>940</b>	<b>8,939</b>	<b>38,743</b>	<b>20,545</b>
Taxation	555	(1,849)	(9,623)	(4,948)
<b>Profit For The Year</b>	<b>1,495</b>	<b>7,090</b>	<b>29,120</b>	<b>15,597</b>
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>1,495</b>	<b>7,090</b>	<b>29,120</b>	<b>15,597</b>
Attributable to:				
Equity holders of the parent	1,507	7,133	28,906	15,733
Non-controlling interests	(12)	(43)	214	(136)
	<b>1,495</b>	<b>7,090</b>	<b>29,120</b>	<b>15,597</b>
<b>Total Comprehensive Income / (Loss) attributable to equity holders of the parent :</b>				
a) Basic Earnings per share (Sen)	0.76	3.87	14.50	9.74
b) Diluted	0.57	3.12	10.86	9.12

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2014 and the accompanying notes attached to the Interim Financial Statements)

**Y&G CORPORATION BHD**

(Co No : 6403-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015**

	As at end of Current Quarter 31 Dec 2015 RM'000	As at Preceding Year Ended 31 Dec 2014 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	20,461	19,730
Land held for property development	108,145	44,747
Goodwill on consolidation	555	555
	<u>129,161</u>	<u>65,032</u>
<b>CURRENT ASSETS</b>		
Asset held for sale	-	8,631
Property development costs	82,215	113,595
Inventories	31,689	20,681
Trade receivables	35,796	24,368
Accrued Billings	7,094	16,533
Other receivables, deposits and prepayments	29,828	11,732
Cash and bank balances	37,208	76,829
Deferred tax asset	895	-
	<u>224,725</u>	<u>272,369</u>
<b>TOTAL ASSETS</b>	<u><b>353,886</b></u>	<u><b>337,401</b></u>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders of parent -		
Share capital	199,384	199,384
Irredeemable convertible preference shares	19,094	19,094
Warrants reserve	2,584	2,584
Retained earnings	43,035	<b>35,979</b>
	<u>264,097</u>	<u>257,041</u>
<b>NON-CONTROLLING INTEREST</b>	<u>2,084</u>	<u>1,869</u>
<b>TOTAL EQUITY</b>	<u>266,181</u>	<u>258,910</u>
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	405	272
Deferred tax liabilities	12,812	8,991
	<u>13,217</u>	<u>9,263</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	59,843	47,954
Other payables and accruals	4,051	19,541
Amount due to directors	5,519	1,569
Short term borrowings	176	164
Taxation	4,899	-
	<u>74,488</u>	<u>69,228</u>
<b>TOTAL LIABILITIES</b>	<u>87,705</u>	<u>78,491</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>353,886</b></u>	<u><b>337,401</b></u>
	-	-
Net assets / share attributable to ordinary equity holders of the parent (RM)	1.32	1.29

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2014 and the accompanying notes attached to the Interim Financial Statements)

**Y&G CORPORATION BHD**(Co No : 6403-X)  
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

	Share Capital	Irredeemable Convertible Preference Shares	Warrant Reserve	Retained Earnings	Non - Controlling Interest	TOTAL EQUITY
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Current Quarter</u></b>						
Balance as at 1 January 2015	199,384	19,094	2,584	35,977	1,869	258,908
Profit after Tax	-	-	-	28,906	215	29,121
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	28,906	215	29,121
Transaction with owners :						
Issue of ordinary shares from conversion of warrant*	-	-	-	-	-	-
Dividend paid	-	-	-	(21,848)	-	(21,848)
Total transactions with owners	-	-	-	(21,848)	-	(21,848)
<b>Balance as at 31 December 2015</b>	<b>199,384</b>	<b>19,094</b>	<b>2,584</b>	<b>43,035</b>	<b>2,084</b>	<b>266,181</b>
<b><u>Preceding Year's Corresponding Quarter</u></b>						
Balance as at 1 January 2014	153,869	-	-	22,830	2,005	178,704
Rights Issue & Private Placement	45,515	-	-	-	-	45,515
Issue of Consideration ICPS	-	19,094	-	-	-	19,094
Issue of Free Consideration Warrants	-	-	2,584	(2,584)	-	-
Profit after Tax	-	-	-	15,733	(136)	15,597
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	15,733	(136)	15,597
<b>Balance as at 31 December 2014</b>	<b>199,384</b>	<b>19,094</b>	<b>2,584</b>	<b>35,979</b>	<b>1,869</b>	<b>258,910</b>

\* : Negligible

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2014 and the accompanying notes attached to the Interim Financial Statements)

**Y&G CORPORATION BHD**(Co No : 6403-X)  
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

	Current Quarter Ended 31 Dec 2015 RM'000	Preceding Year Quarter 31 Dec 2014 RM'000
<b>PROFIT BEFORE TAX</b>	38,743	20,545
ADJUSTMENTS :		
Depreciation	437	432
Goodwill on consolidation written-off	20	3
Gain on disposal of subsidiary company	-	(38)
Loss on disposal of asset held for sale	260	-
Bargain purchase	-	(3,299)
Interest expenses	25	17
Interest income	(1,430)	(438)
<b>Operating Profit Before Working Capital Changes</b>	<b>38,055</b>	<b>17,222</b>
CHANGES IN WORKING CAPITAL :		
Decrease/(Increase) in receivables	(20,326)	29,591
Decrease/(Increase) in property development costs	31,380	28,028
Decrease/(Increase) in inventories	(11,008)	(20,681)
(Decrease)/Increase in payables	289	(10,875)
<b>Cash Generated From Operations</b>	<b>38,390</b>	<b>43,285</b>
Taxes paid	(1,798)	(6,425)
<b>Net Cash Flows Generated From Operating Activities</b>	<b>36,592</b>	<b>36,860</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(1,168)	(4,082)
Expenditure incurred on land held for property development	(63,398)	(19,985)
Proceeds from disposal of asset held for sale	8,631	(52)
Acquisition of shares in subsidiary companies, net of cash	20	6,130
Dividend paid	(21,848)	-
Interest income	1,430	438
<b>Net Cash Flows Used In Investing Activities</b>	<b>(76,333)</b>	<b>(17,551)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of obligation under finance lease	145	(80)
Interest expenses	(25)	(17)
Proceed from issuing of ordinary shares	-	45,515
<b>Net Cash Flow Generated From Financing Activities</b>	<b>120</b>	<b>45,418</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(39,621)</b>	<b>64,727</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>76,829</b>	<b>12,102</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>37,208</b>	<b>76,829</b>
<u>Represented by :</u>		
Cash and bank balances	37,208	76,829
Fixed deposits with licensed bank	-	-
	<b>37,208</b>	<b>76,829</b>

\* : Negligible

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2014 and the accompanying notes attached to the Interim Financial Statements)

**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 2015 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 2014.

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 2014.

**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 2014, 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 2015.

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 IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (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 2018.

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 2014 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 following dividend payments were made during the current financial year-to-date ended 31 December 2015:

- a) In respect of the previous financial year ended 31 December 2014, an interim single-tier dividend of 5%, amounting to RM10.924 million was paid on 20 March 2015; and
- b) In respect of the current financial year ending 31 December 2015, an interim single-tier dividend of 5%, amounting to RM10.924 million was paid on 24 June 2015.

**A9. PROFIT BEFORE TAX**

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Depreciation of property, plant and equipment	120	160	437	432
Goodwill on consolidation written-off	5	-	20	3
Loss on Disposal of assets held for sale	21	-	260	-
Rental income	-	(9)	(9)	(36)
Provision for corporate guarantee	105	144	105	144
Amount due from subsidiary disposed written off	2	21	2	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 current financial year-to-date ended 31 December 2015 are as follows:

	Investment Holding & Others	Property Development & Investment	<u>GROUP</u>
	RM'000	RM'000	RM'000
Segment Revenue - External	525	165,101	165,626
Segment Results	504	36,834	37,338
Interest Income			1,430
Interest Expenses			(25)
Profit Before Tax			38,743
Taxation			(9,623)
Profit For The Period			29,120

#### 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 2014.

#### 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.

#### A13. CHANGES IN COMPOSITION OF THE GROUP

There was no material change in the composition of the Group for the current financial quarter and year-to-date, except for the followings:

- (i) Bumida Engineering & Construction Sdn Bhd ("BECSB") has become a 98% owned subsidiary of the Company following the Company's subscription of nine (9) million Rights Shares in BECSB on 5 February 2015.
- (ii) The Company had on 19 June 2015, acquired two (2) ordinary shares of RM1.00 each representing the entire equity in Tunas Temasek Sdn Bhd ("TTSB") from two (2) individuals for a cash consideration of RM2.00 only. The financial statements of TTSB were consolidated into the Group since the second financial quarter.

- (iii) The Company had on 23 June 2015, acquired two (2) ordinary shares of RM1.00 each representing the entire equity in Nusa Wibawa Sdn Bhd (“NWSB”) from two (2) individuals for a cash consideration of RM2.00 only. The financial statements of NWSB were consolidated into the Group since the second financial quarter.
- (iv) The Company’s wholly-owned subsidiary, Magna Rembang Sdn Bhd (“MRSB”), had on 23 June 2015, acquired two (2) ordinary shares of RM1.00 each representing the entire equity in Rukun Warisan Sdn Bhd (“RWSB”) and Sempena Klasik Sdn Bhd (“SKSB”) respectively from two (2) individuals for a cash consideration of RM2.00 only each respectively. The financial statements of RWSB and SKSB were consolidated into the Group since the second financial quarter.
- (v) The Company’s wholly-owned indirect subsidiary, SKSB, had on 25 June 2015, acquired two (2) ordinary shares of RM1.00 each representing the entire equity in Bayu Kemuning Sdn Bhd (“BKSB”) from two (2) individuals for a cash consideration of RM2.00 only. The financial statements of BKSB were consolidated into the Group since the second financial quarter.
- (vi) The Company had on 30 June 2015 carried out an internal reorganisation within the existing subsidiary companies of the Company whereby upon the completion of the said reorganisation:
  - a) Sempurna Rampai Sdn Bhd (“SRSB”), Melati Purnama Sdn Bhd (“MPSB”) and Mentari Jelas Sdn Bhd (“MJSB”) have become wholly-owned subsidiaries of Sentosa Teliti Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company;
  - b) Melia Aktif Sdn Bhd (“MASB”) has become a wholly-owned subsidiary of Hala Kota Development Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company;
  - c) Elemen Cepak Sdn Bhd (“ECSB”) has become a wholly-owned subsidiary of RWSB, which in turn is a wholly-owned subsidiary of MRSB, a wholly-owned subsidiary of the Company; and
  - d) Teras Zaman Sdn Bhd (“TZSB”) has become a wholly-owned subsidiary of SKSB, which in turn is a wholly-owned subsidiary of MRSB, a wholly-owned subsidiary of the Company.
- (vii) The Company had on 27 July 2015, entered into a conditional Share Sale Agreement (“MHSB SSA”) with four (4) individuals for the proposed acquisition of the entire issued share capital of Maha Harapan Sdn Bhd (“MHSB”) at a purchase consideration of RM4.68 million. The MHSB SSA was completed on 04 September 2015 following the fulfillment of the Conditions Precedents and the payment of the balance purchase consideration in accordance with the terms and conditions of the MHSB SSA.

MHSB was incorporated in Malaysia on 30 June 2014 as a private limited company under the Companies Act, 1965 and is currently inactive. The effective % equity held by the Company in MHSB (after the completion of the MHSB SSA) is 100%. The financial statements of MHSB were consolidated into the Group since the third financial quarter.

MHSB has a leasehold land held under Title No. H.S.(D) 24643, PT 10316, Mukim Rawang, Daerah Gombak, Negeri Selangor, measuring approximately in area of 41.500 acres (16.794 hectares).



The fair values of the identifiable assets acquired and liabilities assumed of MHSB as at the date of acquisition are as follows:

	<u>Fair Value</u> RM'000	<u>Carrying Value</u> RM'000
Land held for property development	43,386	37,271
Other receivable	2,160	2,160
Cash and cash equivalents	72	72
Other payables & accruals	(37,589)	(37,589)
Amount due to director	(1,818)	(1,818)
Deferred tax liabilities	(1,531)	-
Net Identifiable Assets / (Liabilities)	4,680	96

**Cash outflow effect on acquisition:**

Purchase consideration satisfied by cash	(4,680)
Cash and cash equivalents of MHSB acquired	72
Net cash outflow on acquisition for the Group	(4,608)

- (viii) The Company had on 20 July 2015, entered into a conditional Share Sale Agreement (“ISB SSA”) with two (2) individuals for the proposed acquisition of the entire issued share capital of Ikramin Sdn Bhd (“ISB”) at a purchase consideration of RM13.428 million. The ISB SSA was completed on 08 December 2015 following the fulfillment of the Conditions Precedents and the payment of the balance purchase consideration in accordance with the terms and conditions of the ISB SSA.

ISB was incorporated in Malaysia on 23 June 2001 as a private limited company under the Companies Act, 1965 and is currently inactive. The effective % equity held by the Company in ISB (after the completion of the ISB SSA) is 100%. The financial statements of ISB were consolidated into the Group during the current financial quarter.

ISB has a leasehold land held under Title No. H.S.(D) 103532, PT 99564, Mukim of Dengkil, District of Sepang, Negeri Selangor, measuring approximately in area of 10.8280 acres (4.382 hectares).

The fair values of the identifiable assets acquired and liabilities assumed of ISB as at the date of acquisition are as follows:

	<u>Fair Value</u> RM'000	<u>Carrying Value</u> RM'000
Land held for property development	18,867	978
Other payables & accruals	(898)	(898)
Amount due to director	(68)	(68)
Deferred tax liabilities	(4,473)	-
Net Identifiable Assets / (Liabilities)	13,428	12

**Cash outflow effect on acquisition:**

Purchase consideration satisfied by cash	(13,428)
Cash and cash equivalents of ISB acquired	-
Net cash outflow on acquisition for the Group	(13,428)

**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.

## **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 2015.

Turnover for the current financial quarter was at RM8.40 million, a decrease of RM31.90 million, as compared to the preceding year's corresponding quarter of RM40.30 million. Turnover for the current financial year-to-date was higher at RM165.63 million, a significant increase of RM56.23 million, as compared to the preceding year's corresponding year-to-date of RM109.40 million.

The decrease in turnover for the current financial quarter was primarily due to the sale cancellation of significant commercial units (following purchasers' failure in securing for financing amid stringent lending conditions) during the current financial quarter, while others remain wary over the fallout from the new GST implementation coupled with the recent completion of certain development phases in the previous financial quarters.

The substantial increase in turnover for the current financial year-to-date was primarily due to the additional revenue contributed by the acquisitions and consolidations of subsidiaries since the preceding year's fourth quarter and also the relatively better take-up rate of its completed commercial units in the first financial quarter ahead of the new GST implementation effective on 1 April 2015.

The profit after tax for the current financial quarter was lower at RM1.49 million as compared to the preceding year's corresponding profit after tax of RM7.09 million, mainly due to the lower turnover as mentioned above coupled with the recognition of Bargain Purchase upon the completion of acquired subsidiaries in the preceding year's fourth quarter. While, the profit after tax for the current financial year-to-date was higher at RM29.12 million as compared to the preceding year's corresponding profit after tax of RM15.60 million. This is mainly due to the higher turnover as mentioned above.

### **B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S REPORT**

Turnover for the current financial quarter ended 31 December 2015 was lower at RM8.40 million, a decrease of RM20.28 million, as compared to the preceding financial quarter of RM28.68 million. This was primarily due to the completion of its industrial development in the preceding quarter coupled with sale cancellation of significant commercial units (following purchasers' failure in securing for financing amid stringent lending conditions) during the current financial quarter.

The profit before tax for the current financial quarter was lower at RM0.94 million as compared to the preceding financial quarter of RM8.70 million mainly due to the decrease in turnover as mentioned above.

### **B3. CURRENT YEAR PROSPECTS**

In view that the market for the property development is sustaining and the completion of few land acquisitions in the current and preceding financial years. The Directors expect an improvement in the revenue of the Group for the financial year ending 31 December 2016.

### **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:

	<b>Current Quarter</b> RM'000	<b>Current Year-To-Date</b> RM'000
Income tax - current year	(320)	(12,129)
- (under)/overprovision in prior year	-	(293)
RPGT	(62)	(278)
Deferred tax asset	895	895
Reversal of Deferred tax liability	42	2,182
	<u>555</u>	<u>(9,623)</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 past financial year ended 31 December 2012, in which the said disposal was completed and accounted for in the second financial quarter's financial statements following the fulfillment of all the conditions precedents in that financial quarter. However, the said disposal has no material financial effect to the Group's result for the current financial 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. PUBLIC SHAREHOLDING SPREAD

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

- (a) On 9 January 2015, Y&G had submitted a more elaborative clarification in support of the justification to the 9<sup>th</sup> Extension application to comply with the PSS Requirement via its letter dated 9 January 2015 to Bursa Malaysia.
- (b) On 29 May 2015, Y&G had announced that the Company had on 29 May 2015 submitted an application to Bursa Malaysia to seek a further 10<sup>th</sup> Extension of time of six (6) months from 1 June 2015 to 30 November 2015 ("10<sup>th</sup> Extension") to comply with the PSS Requirement.
- (c) On 2 July 2015, Y&G had announced that Bursa Malaysia had, vide its letter dated 1 July 2015, granted the 9<sup>th</sup> Extension and 10<sup>th</sup> Extension a further extension of eleven (11) months until 30 November 2015 to comply with the PSS Requirement.
- (d) On 27 November 2015, Y&G had announced that the Company had on 27 November 2015 submitted an application to Bursa Malaysia to seek a further 11<sup>th</sup> extension of time of nine (9) months from 1 December 2015 to 31 August 2016 ("11<sup>th</sup> Extension") to comply with the PSS Requirement.
- (e) On 31 December 2015, Y&G had submitted an update to Bursa Malaysia that the Company had identified a few potential Placees to take up the Y&G shares via direct placement by Y&G Major Shareholders.
- (f) On 4 February 2016, Y&G had submitted a further update to Bursa Malaysia that the Company had finalised the placement terms with the Placees for taking-up a total of approximately 11.0 million Y&G Shares (or approximately 5.5%) via direct placement by Y&G Major Shareholders, Kinta Aroma Sdn Bhd ("said Placement").
- (g) As at 26 February 2016, the public shareholding spread of the Company was at 19.71%.

## B9. GROUP BORROWINGS AND DEBT SECURITIES

Group Borrowings as at 31 December 2015 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
(a) Short Term Borrowings:			
Finance lease obligation	176	-	176
Term loan	-	-	-
	<u>176</u>	<u>-</u>	<u>176</u>
(b) Long Term Borrowings:			
Finance lease obligation	405	-	405
Term loan	-	-	-
	<u>405</u>	<u>-</u>	<u>405</u>
Total Borrowings	581	-	581

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 2015, pursuant to the format prescribed by Bursa Malaysia, is as follows:

	<b>As at 31 December 2015</b>	<b>As at 30 September 2015</b>
	RM'000	RM'000
Realised	54,970	49,933
Unrealised	(11,917)	(8,381)
Total Group's Accumulated Profits	43,053	41,552

**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 does not recommend any dividend for the current financial quarter and year-to-date.

**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.

	<b>Individual Quarter</b>	<b>Cumulative Quarter</b>
Total Comprehensive Income attributable to equity holders of the parent (RM'000)	1,483	28,906
Weighted average number of ordinary share in issue ('000)	199,384	199,384
Earnings per share (sen)	0.76	14.50
Diluted EPS (sen)	0.57	10.86

By Order of the Board

Wong Keo Rou (MAICSA 7021435)  
Secretary  
Kuala Lumpur  
Date: 29 February 2016

## **STATUS OF MATERIAL LITIGATIONS AS AT 29 FEBRUARY 2016**

### **Legal Action against Y&G Corporation Bhd (“Y&G”)**

- (i) **ICP Marketing Sdn Bhd vs MBSB & Lee Hock Soon & Y&G**  
**Shah Alam High Court Suit No. MT5-22-209-2002**  
**Kuala Lumpur High Court Originating Summons No. 24NCVC-923-05/2013**  
**Court of Appeal Malaysia Civil Appeal No. : W-02(NCVC)(W)-1279-08/2015**

Since the previous Quarterly Report, the Court of Appeal has on the hearing date of 26 November 2015 allowed the plaintiff's application for leave of court to file out of time.

**Status:** The Court of Appeal fixed the appeal for hearing on 17 March 2016.

- (ii) **Chemical Company of Malaysia Berhad (“CCMB”) vs Y&G**  
**Kuala Lumpur High Court Civil Suit No. 22NCVC-564-10/2015**

Since the previous Quarterly Report, CCMB has via their solicitor Messrs. Raja, Darryl & Loh's letter dated 11 December 2015, withdrawn the claim against Y&G with no liberty to file afresh and with no order as to costs, following their successful registration of the surrender of lease with the land office on 24 November 2015.

**Status:** Pursuant to the withdrawal of the claim, the suit is now considered closed.

### **Legal Action by Y&G Group**

- (i) **Hala Kota Development Sdn Bhd (“HKDSB”) vs Institut Penyelidikan Dan Kemajuan Pertanian Malaysia (“MARDI”)**  
**Shah Alam High Court Suit No. 22NCVC-581-12/2014**

There was no material development since the previous Quarterly Report.

**Status:** Both parties are still in the midst of discussion for an amicable settlement.