

**YLI HOLDINGS BERHAD**

Company No. 367249 A

Interim report for the twelve months ended 31 March 2013

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

	Individual Quarter		Year To Date	
	3 months ended		12 months ended	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM'000	RM'000	RM'000	RM'000
Revenue	24,897	35,986	100,514	143,292
Cost of sales	(21,719)	(36,667)	(93,572)	(138,769)
Gross profit/(loss)	3,178	(681)	6,942	4,523
Other income	137	1,199	780	2,356
Selling & distribution costs	(410)	(272)	(2,249)	(2,159)
Administrative expenses	(1,704)	(1,501)	(6,965)	(6,691)
Operating profit/(loss)	1,201	(1,255)	(1,492)	(1,971)
Finance cost	(555)	(708)	(2,579)	(3,125)
Share of profit of Jointly Controlled Entity (refer note 17)	82	85	148	351
Profit/(loss) before taxation	728	(1,878)	(3,923)	(4,745)
Taxation	(474)	263	(313)	5
Profit/(loss) for the period / year (refer note 9)	254	(1,615)	(4,236)	(4,740)
Other comprehensive income/(loss):				
Currency translation differences	137	(305)	121	375
Total comprehensive income/(loss) for period / year	391	(1,920)	(4,115)	(4,365)
Profit/(loss) attributable to :				
Owners of the Company	460	(1,160)	(2,448)	(2,625)
Non-controlling interest	(206)	(455)	(1,788)	(2,115)
	254	(1,615)	(4,236)	(4,740)
Total comprehensive income/(loss) attributable to :				
Owners of the Company	597	(1,465)	(2,327)	(2,250)
Non-controlling interest	(206)	(455)	(1,788)	(2,115)
	391	(1,920)	(4,115)	(4,365)
	Sen	Sen	Sen	Sen
Profit/(loss) per share for profit/(loss) attributable to the Owners of the Company:				
- basic	0.47	(1.18)	(2.49)	(2.67)
- diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31st March 2012)

# YLI HOLDINGS BERHAD

Company No. 367249 A

Interim report for the twelve months ended 31 March 2013

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	31/03/2013 RM'000	31/03/2012 RM'000 (restated)	01/04/2011 RM'000 (restated)
<b>Non-current assets</b>			
Property, plant and equipment	95,847	101,117	106,781
Jointly controlled entity	2,063	1,794	1,068
Advance to jointly controlled entity	8,065	8,065	8,065
Deferred taxation	82	162	0
<b>Total non-current assets</b>	<u>106,057</u>	<u>111,138</u>	<u>115,914</u>
<b>Current assets</b>			
Inventories	39,831	31,381	26,446
Trade and other receivables	41,731	52,228	35,825
Advance to jointly controlled entity	83	80	75
Tax recoverable	71	502	811
Deposits, bank and cash balances	22,098	30,917	43,605
<b>Total current assets</b>	<u>103,814</u>	<u>115,108</u>	<u>106,762</u>
<b>TOTAL ASSETS</b>	<u>209,871</u>	<u>226,246</u>	<u>222,676</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributed to equity holders of the parent</b>			
Share capital	98,560	98,560	98,560
Share premium	7,208	7,208	7,208
Treasury Shares	(108)	(108)	(108)
Other reserves	(132)	(253)	(628)
Retained earnings	44,378	46,826	49,451
	<u>149,906</u>	<u>152,233</u>	<u>154,483</u>
Non-controlling interest	1,697	3,485	5,600
<b>Total equity</b>	<u>151,603</u>	<u>155,718</u>	<u>160,083</u>
<b>Non-current liabilities</b>			
Deferred taxation	6,940	7,357	7,842
Lease payable	271	435	549
Long term loan	0	13,400	17,394
<b>Total non-current liabilities</b>	<u>7,211</u>	<u>21,192</u>	<u>25,785</u>
<b>Current liabilities</b>			
Trade and other payables	16,868	28,761	14,979
Bank overdraft	2,876	2,704	2,993
Lease payable	165	181	194
Short term borrowings	31,148	17,690	18,642
<b>Total current liabilities</b>	<u>51,057</u>	<u>49,336</u>	<u>36,808</u>
<b>Total liabilities</b>	<u>58,268</u>	<u>70,528</u>	<u>62,593</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>209,871</u>	<u>226,246</u>	<u>222,676</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.52	1.54	1.57

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st March 2012)

**YLI HOLDINGS BERHAD**  
Company No. 367249 A

Interim report for the twelve months ended 31 March 2013  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

	ISSUED AND FULLY PAID ORDINARY SHARE OF RM1 EACH		NON - DISTRIBUTABLE					DISTRIBUTABLE		
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Treasury Shares RM'000	Other reserves RM'000	Revaluation reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
<b>12 months ended 31 March 2013</b>										
At 1 April 2012, as previously stated	98,560	98,560	7,208	(108)	(253)	1,589	45,237	152,233	3,485	155,718
Effect of transition of MFRS	0	0	0	0	0	(1,589)	1,589	0	0	0
Balance as at 1 April 2012, restate	98,560	98,560	7,208	(108)	(253)	0	46,826	152,233	3,485	155,718
Total comprehensive income/(loss) for the financial year	0	0	0	0	121	0	(2,448)	(2,327)	(1,788)	(4,115)
<b>Transactions with owners :</b>										
Dividend for the financial year ended 31 March 2012	0	0	0	0	0	0	0	0	0	0
Balance As At 31 March 2013	98,560	98,560	7,208	(108)	(132)	0	44,378	149,906	1,697	151,603
<b>12 months ended 31 March 2012</b>										
At 1 April 2011, as previously stated	98,560	98,560	7,208	(108)	(628)	1,589	47,862	154,483	5,600	160,083
Effect of transition of MFRS	0	0	0	0	0	(1,589)	1,589	0	0	0
Balance as at 1 April 2011, restate	98,560	98,560	7,208	(108)	(628)	0	49,451	154,483	5,600	160,083
Total comprehensive income/(loss) for the financial year	0	0	0	0	375	0	(2,625)	(2,250)	(2,115)	(4,365)
<b>Transactions with owners :</b>										
Dividend for the financial year ended 31 March 2011	0	0	0	0	0	0	0	0	0	0
Balance As At 31 March 2012	98,560	98,560	7,208	(108)	(253)	0	46,826	152,233	3,485	155,718

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st March 2012)

# YLI HOLDINGS BERHAD

Company No. 367249 A

Interim report for the twelve months ended 31 March 2013

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

	12 months ended	
	31/03/2013	31/03/2012
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Cash receipts from customers	111,129	127,139
Cash paid to suppliers and employees	(116,975)	(130,646)
Cash used in operations	(5,846)	(3,507)
Interest received	661	804
Interest paid	(480)	(947)
Tax paid	(682)	(878)
Tax refund	465	544
Net cash flow used in operating activities	(5,882)	(3,984)
<b>INVESTING ACTIVITIES</b>		
Property, plant and equipment :		
- additions	(656)	(489)
- disposals	4	41
Net cash flow used in investing activities	(652)	(448)
<b>FINANCING ACTIVITIES</b>		
Advances to a jointly controlled entity	(3)	(5)
Net movement of bank borrowings	58	(4,946)
Net movement of hire purchase creditor	(181)	(207)
Dividends paid	0	0
Interest paid	(2,331)	(2,809)
Deposits charged for credit facilities	(1,262)	(38)
Net cash flow used in financing activities	(3,719)	(8,005)
Net change in cash and cash equivalents	(10,253)	(12,437)
Cash and cash equivalents :		
- at the beginning of the year	28,072	40,509
- at the end of the year	17,819	28,072
Cash and cash equivalents comprise :-		
Deposits with financial institutions	18,000	20,000
Bank and cash balances	4,098	10,917
Bank overdraft	(2,876)	(2,704)
Deposits charged for credit facilities	(1,403)	(141)
	17,819	28,072

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31st March 2012)

# YLI HOLDINGS BERHAD

Company No. 367249 A

Interim report for the twelve months ended 31 March 2013

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting, paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2012. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2012.

With effect from 01 April 2012, the Group has adopted the MFRS framework issued by MASB. In preparing its opening MFRS Statement of Financial Position as at 1 April 2011 (which is the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. Subject to certain transition elections under MFRS 1 – First-Time Adoption of Malaysian Financial Reporting Standards, the Group has consistently applied the same accounting policies in its opening MFRS Statement of Financial Position as at 1 April 2011 (transition date) and throughout all periods presented, as if these policies had always been in effect. Note 2 disclose the impact of the transition to MFRS on the Group's reported financial position, financial performance and cash flows.

### 2. Significant accounting policies and application of MFRS 1

The audited financial statements of the Group for the year ended 31 March 2012 were prepared in accordance with FRS. The significant accounting policies applied by the Group in this interim report are in accordance with MFRS consistent with those adopted for the audited financial statements for the year ended 31 March 2012, except as discussed below:

#### Property, plant and equipment

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS (Revised) Property, Plant and Equipment which was effective for the periods ending on or after 01 September 1998. By virtue of this transitional provision, the Group has recorded the leasehold land and building on leasehold land at revalued amounts and had not adopted a policy of revaluation and continued to carry on the basis of their previous revaluations subject to continuity in its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments.

Upon transition to MFRS, the Group elected to apply the optional exemption to use that previous revaluation as deemed cost under MFRS 116: Property, Plant and Equipment. The revaluation reserves of RM1,589,000 at 01 April 2011 and 31 March 2012 was reclassified to retained earnings.

The reconciliation of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

Reconciliation of equity as at 01 April 2011

	<b>FRS as at 01/04/2011 RM'000</b>	Reclassification RM'000	<b>MFRS as at 01/04/2011 RM'000</b>
Revaluation reserves	1,589	(1,589)	0
Retained earnings	47,862	1,589	49,451
	<hr/>	<hr/>	<hr/>

Reconciliation of equity as at 31 March 2012

	<b>FRS as at 31/03/2012 RM'000</b>	Reclassification RM'000	<b>MFRS as at 31/03/2012 RM'000</b>
Revaluation reserves	1,589	(1,589)	0
Retained earnings	45,237	1,589	46,826
	<hr/>	<hr/>	<hr/>

**3. Disclosure of audit report qualification and status of matters raised**

There was no qualification in the audit report of the preceding annual financial statements.

**4. Seasonality and cyclicity of interim operations**

The Group operations were not significantly affected by any unusual seasonality or cyclicity factors.

**5. Unusual Item**

There were no material unusual items for the current financial year to date.

**6. Changes in Estimates of Amounts**

There were no changes in the nature and estimates of amounts from those of the prior interim periods of prior financial years that have a material effect in the current interim period.

**7. Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy backs, share cancellations and resale of treasury shares except previous share buy backs which are being held as treasury shares for the current financial year to date.

**8. Dividends Paid**

No dividend was paid for the current interim period.

## 9. Profit/(loss) for the period / year

	Individual Quarter		Year To Date	
	3 months ended		12 months ended	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM'000	RM'000	RM'000	RM'000
Interest income	153	128	671	838
Interest expenses	(555)	(708)	(2,579)	(3,125)
Depreciation and amortisation	(1,474)	(1,567)	(5,924)	(6,205)
Foreign exchange gain/(loss)	(52)	145	88	323
Recovery of doubtful debts	60	962	60	1,202

## 10. Segmental Reporting

There is no disclosure of segmental information as the Group operates principally within one industry of manufacturing and the other activities include investment holding.

## 11. Significant off balance sheet event

To the date of this report, there were no significant off balance sheet events subsequent to the financial period which have not been reflected in the financial statements.

## 12. Changes in the Composition of the Group

There were no changes in the composition of the Company during the period under review.

## 13. Changes in Contingent Liabilities

Total corporate guarantees given by the Company has marginally increased from RM65.23 million to RM65.59 million since the last balance sheet date mainly due to increased in utilisation for corporate guarantee extended to Laksana Wibawa Sdn. Bhd.

Analysed as follows:-

### Subsidiary companies

Corporate guarantees of RM64.45 million were given to banks to secure bank borrowings of the subsidiary companies.

### Jointly controlled entity

Corporate guarantees of USD370,000 (approximately RM1.14 million) were given to a bank to secure banking facilities.

## 14. Capital Commitment

The capital expenditure not provided for in the financial statement as at 31 March 2013 is as follows:-

	Group 31/03/2013 RM'000
Authorised and contracted for	3,087
Authorised and not contracted for	13,327
	<hr/>
	16,414
	<hr/>
Analysed as follows :-	
- Property, plant and equipment	16,414
	<hr/>

## 15. Related Party Transactions

There were no related party transactions recorded during the period under review.

## 16. Material Events Subsequent to the End of the Interim Reporting Period

There were no material events subsequent to the current financial quarter ended 31 March 2013 up to the date of this report.

## 17. Share of results of jointly controlled entity

The Group has accounted for its share of results of the jointly controlled entity (37%) in the consolidated financial statements by the equity method of accounting. The Group's share of profit is as follows:-

	Individual Quarter		Year To Date	
	3 months ended		12 months ended	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM'000	RM'000	RM'000	RM'000
Profit before tax	84	86	156	358
Less : Taxation	(2)	(1)	(8)	(7)
Profit after tax	<u>82</u>	<u>85</u>	<u>148</u>	<u>351</u>

## 18. Review of Performance

For the quarter under review, the Group recorded lower sales revenue by approximately 30.81% compared to preceding year corresponding quarter mainly due to lower demand of waterworks pipes especially from East Malaysia markets compared to preceding year. Nevertheless, the Group managed to achieve profit after taxation of RM0.254 million compared to net loss of RM1.615 million in preceding year corresponding quarter mainly attributed to recorded sales with better profit margin and lower raw material costs especially on scrap metal and artificial graphite. Therefore, the same factors have also contributed to lower net loss by approximately 10.60% recorded by the Group for financial year ended 31 March 2013 compared to preceding year.

## 19. Material Changes in Quarterly Results as Compared with the Preceding Quarter

	Current Quarter	Preceding Quarter
	31/03/2013	31/12/2012
	RM'000	RM'000
Revenue	24,897	16,490
Consolidated Profit/(Loss) before taxation	728	(3,174)
Consolidated Profit/(Loss) after taxation	254	(2,900)

The Group recorded profit after taxation of RM0.254 million for this quarter under review compared to net loss of RM2.900 million for the preceding quarter. This was mainly due to higher sales recorded coupled with better profit margin on sales recorded for the quarter under review.



## 20. Future Prospects

Water supply and sewerage projects continue to be in focus under the 10<sup>th</sup> Malaysia Plan with uncompleted projects under 9<sup>th</sup> Malaysia Plan is expected to be carried forward to 10<sup>th</sup> Malaysia Plan. In view of the fact that the Government and state water authorities are working towards improved water quality and efficiency of water supply in Malaysia, this would augur well for the Group's business.

Despite the above, the Board would expect the operating environment to remain extremely challenging in view of the competitive pricings offered among waterworks pipe industry players for projects available and uncertain trend in prices of raw materials and utility cost such as scrap metal, nodulant and electricity. Nevertheless, the Group would be able to sail through these market challenges given its solid financial position, extensive customer networking and in-depth experience in the production of waterwork pipes.

## 21. Profit Forecast or Profit Guarantee

Not applicable as no profit forecast was required.

## 22. Tax

	Individual Quarter		Year To Date	
	3 months ended		12 months ended	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM'000	RM'000	RM'000	RM'000
In respect of current year :				
- income tax	400	(65)	636	605
- deferred tax	(65)	(208)	(475)	(658)
	<u>335</u>	<u>(273)</u>	<u>161</u>	<u>(53)</u>
In respect of prior years :				
- income tax	0	0	13	38
- deferred tax	139	10	139	10
	<u>474</u>	<u>(263)</u>	<u>313</u>	<u>(5)</u>

22. **Tax** (continued)

Reconciliation of effective tax is as follows:-

	<b>Individual Quarter</b>		<b>Year To Date</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31/03/2013</b>	<b>31/03/2012</b>	<b>31/03/2013</b>	<b>31/03/2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit/(loss) from ordinary activities before taxation	728	(1,878)	(3,923)	(4,745)
Tax calculated at Malaysia Statutory tax rate of 25%	182	(469)	(981)	(1,186)
Tax effect of Jointly Controlled Entity	(21)	(21)	(37)	(88)
Tax effect of expenses not deductible for tax purpose	880	831	969	864
Tax effect of current year's tax loss not recognised	(947)	(994)	0	0
Temporary differences not recognised	254	688	234	688
Tax effect of income not subject to tax / exempted income	(5)	(325)	(16)	(334)
Others	(8)	17	(8)	3
Under provision in respect of prior financial year				
- current taxation	0	0	13	38
- deferred taxation	139	10	139	10
Tax expenses	474	(263)	313	(5)

23. **Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of issue of this report.

24. **Bank borrowings**

(a) <u>Short Term Borrowings</u>	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Bankers' Acceptance	258	0	258
Trust Receipt	11,595	0	11,595
Term Loan	17,295	0	17,295
Revolving Credit	2,000	0	2,000
Lease Payable	165	0	165
<b>Total</b>	31,313	0	31,313
(b) <u>Long Term Borrowings</u>	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Lease Payable	271	0	271
<b>Total</b>	271	0	271

The Group's borrowings as at the financial year to date consist of Foreign Currency Trust Receipt of USD1,272,078.72.

## 25. Material Litigation

There was no material litigation as at the date of this report.

## 26. Dividend Proposed

The Board of Directors does not recommend the payment of any dividends for the 12 months ended 31 March 2013 (2012: Nil).

## 27. Profit/(loss) per share

	Individual Quarter		Year To Date	
	3 months ended		12 months ended	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
<b>Basic profit/(loss) per share for profit/(loss) attributable to Owners of the Company</b>				
Net profit/(loss) for the period (RM'000)	460	(1,160)	(2,448)	(2,625)
Weighted average number of ordinary shares in issue excluding treasury shares held by the Company ('000)	98,439	98,439	98,439	98,439
Basic profit/(loss) per share (sen)	0.47	(1.18)	(2.49)	(2.67)

## 28. Disclosure of realised and unrealised profits/(losses)

The following analysis of realised and unrealised retained profits/(losses) at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or (Losses) in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	As at 31/03/2013 RM'000	As at 31/03/2012 RM'000 (Restated)
Total retained profits of YLI Holdings Berhad and its subsidiaries :		
- realised profits	47,427	50,386
- unrealised losses	(5,244)	(5,606)
	<hr/> 42,183	<hr/> 44,780
Total share of retained profits from jointly controlled entity :		
- realised profits	2,181	1,896
- unrealised profits	14	150
	<hr/> 2,195	<hr/> 2,046
Total group retained profits as per consolidated accounts	<hr/> 44,378	<hr/> 46,826

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.

By Order of the Board

MOLLY GUNN CHIT GEOK

Secretary

Kuala Lumpur, 30 May 2013