

YKGI HOLDINGS BERHAD

(Company No. 032939-U)

(formerly known as YUNG KONG GALVANISING INDUSTRIES BERHAD)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013 - UNAUDITED

	30 September 2013 RM'000	31 December 2012 RM'000 (restated)
ASSETS		
Property, plant and equipment	302,182	310,167
Quoted investments	10	10
Deferred tax assets	146	-
Total non-current assets	302,338	310,177
Inventories	128,461	94,926
Trade and other receivables	116,238	83,572
Current tax assets	605	764
Cash and cash equivalents	33,527	33,023
	278,831	212,285
Assets classified as held for sale	-	26,661
Total current assets	278,831	238,946
Total assets	581,169	549,123
EQUITY		
Share capital	178,189	101,787
Share premium	1,969	1,969
Reserves	22,579	36,951
Total equity attributable to owners of the Company	202,737	140,707
Non-controlling interests	-	11,306
Total equity	202,737	152,013
LIABILITIES		
Loans and borrowings	61,009	65,758
Deferred tax liabilities	10,315	8,337
Employee benefits	5,207	5,207
Total non-current liabilities	76,531	79,302
Trade and other payables	72,749	76,880
Loans and borrowings	229,116	223,511
Current tax liabilities	36	28
	301,901	300,419
Liabilities classified as held for sale	-	17,389
Total current liabilities	301,901	317,808
Total liabilities	378,432	397,110
Total equity and liabilities	581,169	549,123
Net Assets per ordinary share of RM0.50 each attributable to owners of the Company (sen)	58	72

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

YKGI HOLDINGS BERHAD

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(formerly known as YUNG KONG GALVANISING INDUSTRIES BERHAD)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 September 2013 - Unaudited

	3 months ended 30 Sept		Year to date ended 30 Sept	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Revenue	148,507	115,901	424,127	337,584
Cost of sales	(136,751)	(110,557)	(382,417)	(315,745)
Gross profit	11,756	5,344	41,710	21,839
Other income	1,682	310	2,870	2,116
Selling and distribution expenses	(2,057)	(1,673)	(5,944)	(4,496)
Administrative expenses	(7,341)	(5,643)	(19,927)	(16,649)
Finance costs	(3,517)	(4,042)	(11,060)	(12,512)
(Loss)/Profit before taxation	523	(5,704)	7,649	(9,702)
Income tax expense	(390)	711	(2,225)	1,790
Profit/(Loss) from continuing operations	133	(4,993)	5,424	(7,912)
Profit/(Loss) from discontinued operation, net of tax	-	(216)	1,344	(1,286)
Profit/(Loss) and total comprehensive income/(loss) for the period	133	(5,209)	6,768	(9,198)
Attributable to:				
Owners of the Company	133	(4,031)	6,523	(7,748)
Non-controlling interests	-	(1,178)	245	(1,450)
Profit/(Loss) and total comprehensive income/(loss) for the period	133	(5,209)	6,768	(9,198)
Basic earnings/(loss) per ordinary share of RM0.50 each (sen)				
- From continuing operation	0.04	(1.68)	1.83	(2.84)
- From discontinued operation	-	(0.09)	0.47	(0.57)
	0.04	(1.77)	2.30	(3.41)
Diluted earnings/(loss) per ordinary share of RM0.50 each (sen)				
- From continuing operation	-	-	-	-

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

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2013 - Unaudited

	Attributable to owners of the Company							
	Non-distributable				Distributable		Non-controlling Interests RM'000	Total Equity RM'000
Ordinary Share Capital RM'000	RCPS* RM'000	Warrant Reserve RM'000	Share Premium RM'000	Retained Profits RM'000	Total RM'000			
At 1 January 2013	90,924	10,863	6,843	1,969	30,108	140,707	11,306	152,013
Increase in investment in subsidiary	16,612	-	-	-	(5,061)	11,551	(11,551)	-
Issuance of shares through placement	43,953	-	-	-	-	43,953	-	43,953
Issuance of shares through Bonus Issue	15,833	-	-	-	(15,833)	-	-	-
Issuance of shares by exercise of warrants	4	-	(1)	-	-	3	-	3
Total comprehensive profit for the period	-	-	-	-	6,523	6,523	245	6,768
At 30 Sept 2013	<u>167,326</u>	<u>10,863</u>	<u>6,842</u>	<u>1,969</u>	<u>15,737</u>	<u>202,737</u>	<u>-</u>	<u>202,737</u>
At 1 January 2012	90,924	10,863	6,843	1,969	46,924	157,523	14,700	172,223
Total comprehensive loss for the period	-	-	-	-	(15,349)	(15,349)	(3,394)	(18,743)
Effect of actual loss on retirement benefit	-	-	-	-	(1,467)	(1,467)	-	(1,467)
At 31 December 2012	<u>90,924</u>	<u>10,863</u>	<u>6,843</u>	<u>1,969</u>	<u>30,108</u>	<u>140,707</u>	<u>11,306</u>	<u>152,013</u>

*Redeemable Convertible Preference Shares of RM0.50 each

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

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2013 - Unaudited

	Period ended 30 September	
	2013	2012
	RM'000	RM'000
Cash flows from operating activities		
Profit/(Loss) before tax from :		
Continuing operation	7,649	(9,703)
Discontinued operation	1,344	(1,325)
	<u>8,993</u>	<u>(11,028)</u>
Adjustments for:		
Depreciation of property, plant and equipment	13,684	14,346
Gain on disposal of property, plant & equipment	(1,730)	(1,497)
Gain on disposal of subsidiary	(1,317)	-
Finance costs	11,282	12,948
Finance income	(972)	(578)
	<u>29,940</u>	<u>14,191</u>
Operating profit before changes in working capital	29,940	14,191
Changes in working capital:		
Properties held for sale	2,085	-
Inventories	(31,403)	(34,320)
Trade and other receivables	(25,660)	(22,433)
Trade and other payables	1,820	46,409
	<u>(23,218)</u>	<u>3,847</u>
Cash (used in)/generated from operations	(23,218)	3,847
Income tax refund/(paid)	23	(253)
Interest paid	(6,998)	(7,313)
Interest received	371	178
	<u>(29,822)</u>	<u>(3,541)</u>
Net cash (used in)/generated from operating activities	<u>(29,822)</u>	<u>(3,541)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2013 - Unaudited

	Period ended 30 September	
	2013	2012
	RM'000	RM'000
Cash flows from investing activities		
Acquisition of property, plant and equipment	(12,603)	(14,399)
Proceeds from disposal of property, plant & equipment	2,830	14,155
Proceeds from disposal of subsidiary, net of cash equivalent	8,362	-
Interest received	601	399
Increase in deposits pledged with banks	(1,643)	(4,608)
Net cash generated from/(used in) investing activities	<u>(2,453)</u>	<u>(4,453)</u>
Cash flows from financing activities		
(Repayment of)//Net proceeds from loans	(13,627)	(16,956)
Net proceeds from bankers' acceptances and revolving credits	5,741	35,891
Repayment of finance leases	(3,330)	(7,561)
Interest paid	(4,284)	-
Proceed from issuance of shares	42,773	(5,635)
Acquisition of subsidiary	-	(358)
Net cash generated from financing activities	<u>27,273</u>	<u>5,381</u>
Net increase in cash and cash equivalents	(5,002)	(2,613)
Cash and cash equivalents at beginning of year	<u>10,189</u>	<u>483</u>
Cash and cash equivalents at end of year	<u>5,187</u>	<u>(2,130)</u>
Cash and cash equivalents comprise:		
Fixed deposits (excluding deposits pledged)	1,383	1,341
Cash and bank balances	12,438	8,401
Bank overdrafts	(8,634)	(11,872)
	<u>5,187</u>	<u>(2,130)</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012)