



**YFG BERHAD (499758-W)**  
 (formerly known as PJI Holdings Berhad)  
**INTERIM FINANCIAL STATEMENTS**  
 (The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED  
 30 SEPTEMBER 2013**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30/09/2013	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2012	CURRENT YEAR TODATE 30/09/2013	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2012
		RM '000	RM '000	RM '000	RM '000
Revenue	<b>A9</b>	34,205	25,077	34,205	25,077
Cost of sales		(31,414)	(23,393)	(31,414)	(23,393)
<b>Gross profit</b>		2,791	1,684	2,791	1,684
Other income		7	179	7	179
Finance Income		38	45	38	45
Gain on disposal of investment property and PPE		16	-	16	-
Administrative expenses		(1,725)	(1,328)	(1,725)	(1,328)
Depreciation of property, plant and equipment and investment properties		(62)	(63)	(62)	(63)
Bad debts written off		-	(1)	-	(1)
Finance costs		(39)	(67)	(39)	(67)
<b>Profit before taxation</b>		1,026	449	1,026	449
Taxation	<b>B5</b>	(261)	-	(261)	-
<b>Profit for the period representing total comprehensive income for the period</b>		765	449	765	449
<b>Profit and total comprehensive income for the period attributable to: Owners of the Company</b>		765	449	765	449
<b>Basic earnings per share attributable to equity holders of the company</b>					
Basic (sen)	<b>B10</b>	0.13	0.07	0.13	0.07

*The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2013.*



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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013**

	AS AT 30/09/2013 (Unaudited) RM '000	AS AT 30/06/2013 (Audited) RM '000
<b>Non-Current Assets</b>		
Property, plant and equipment	814	755
Investment properties	4,237	4,238
Investment in associate companies	1,422	1,422
Deferred tax assets	2,535	2,778
	<b>9,008</b>	<b>9,193</b>
<b>Current Assets</b>		
Trade receivables	16,062	9,808
Retention sum	22,050	17,938
Amount due from customer for contract works	45,364	58,913
Other receivables, deposits and prepayments	13,334	16,223
Tax recoverable	6	5
Deposits with licensed banks	5,270	5,248
Cash and bank balances	6,645	1,503
	<b>108,731</b>	<b>109,638</b>
<b>TOTAL ASSETS</b>	<b>117,739</b>	<b>118,831</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	54,473	54,473
Reserves		
Translation reserve	203	203
Warrant reserve	8,070	8,070
ESOS reserve	214	-
Accumulated losses	(23,519)	(24,284)
<b>Equity attributable to equity holders of the company</b>	<b>39,441</b>	<b>38,462</b>
Non controlling interest	(103)	(103)
<b>Total Equity</b>	<b>39,338</b>	<b>38,359</b>
<b>Non-Current Liabilities</b>		
Hire purchase payables	231	266
	<b>231</b>	<b>266</b>
<b>Current Liabilities</b>		
Trade payables	53,376	62,528
Other payables and accruals	2,878	3,233
Hire purchase payables	113	104
Short term borrowings	21,788	14,336
Provision for taxation	15	5
	<b>78,170</b>	<b>80,206</b>
<b>Total Liabilities</b>	<b>78,401</b>	<b>80,472</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>117,739</b>	<b>118,831</b>
<b>Net assets per share attributable to ordinary equity holders of the company (RM)</b>	<b>0.0648</b> **	<b>0.0631</b> **

\*\* The total issued and paid up share capital is 609,069,997 ordinary shares of RM 0.10 each.

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2013.*



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30  
SEPTEMBER 2013**

	<b>First quarter ended 30/09/2013 RM'000</b>	<b>First quarter ended 30/09/2012 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
<b>Profit before tax</b>	1,026	449
Adjustments for :-		
Depreciation of property, plant and equipment and investment properties	63	63
Share-based payments	214	-
Finance costs	39	67
Finance income	(38)	(45)
Gain on disposal of investment property and PPE	(16)	-
<b>Operating profit before changes in working capital</b>	<b>1,288</b>	<b>534</b>
<b>Changes in working capital</b>		
Net Changes in current assets	6,071	(89)
Net Changes in current liabilities	(9,506)	(2,681)
<b>Cash used in operations</b>	<b>(2,147)</b>	<b>(2,236)</b>
Tax paid	(10)	(26)
<b>Net cash used in operating activities</b>	<b>(2,157)</b>	<b>(2,262)</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of investment properties and PPE	24	-
Pledged of fixed deposits with licensed banks	978	(33)
Interest from deposit with licensed banks received	38	45
Purchase of property, plant and equipment	(128)	(6)
<b>Net cash generated from investing activities</b>	<b>912</b>	<b>6</b>
<b>Cash Flows For Financing Activities</b>		
Interest paid	(39)	(67)
Repayment of hire purchase payables	(26)	(26)
Drawdown of term loans and other bank borrowings	7,452	5,897
<b>Net cash generated from financing activities</b>	<b>7,387</b>	<b>5,804</b>
<b>Net increase in cash and cash equivalents</b>	<b>6,142</b>	<b>3,548</b>
<b>Cash and cash equivalents as at beginning of period</b>	<b>1,503</b>	<b>1,504</b>
<b>Cash and cash equivalents as at period ended</b>	<b>7,645</b>	<b>5,052</b>
<b>Cash and cash equivalents as at period ended comprise the following:</b>		
Cash and bank balances	6,645	315
Placement of fixed deposits with licensed banks	4,270	4,145
Short term deposits with licensed banks	1,000	4,965
Bank overdrafts	-	(228)
	11,915	9,197
Less : Fixed deposits pledged with a licensed bank	(4,270)	(4,145)
	7,645	5,052

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2013*



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**

	← Attributable to Owners of the Parent →					→ Distributable Reserve ←			Total Equity RM'000
	← Non-Distributable Reserves →								
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	ESOS Reserve RM'000	Foreign Exchange Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non Controlling Interest RM'000	
Balance as at 1 July 2013	54,473	-	8,070	-	203	(24,284)	38,462	(103)	38,359
Profit for the period, representing total comprehensive income for the period	-	-	-	214	-	765	979	-	979
<b>Balance as at 30 September 2013</b>	<b>54,473</b>	<b>-</b>	<b>8,070</b>	<b>214</b>	<b>203</b>	<b>(23,519)</b>	<b>39,441</b>	<b>(103)</b>	<b>39,338</b>
Balance as at 1 July 2012	54,473	-	8,070	-	203	(28,886)	33,860	(203)	33,657
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	449	449	-	449
<b>Balance as at 30 September 2012</b>	<b>54,473</b>	<b>-</b>	<b>8,070</b>	<b>-</b>	<b>203</b>	<b>(28,437)</b>	<b>34,309</b>	<b>(203)</b>	<b>34,106</b>

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2013*

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**

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**A1. Basis of Preparation**

The unaudited interim financial statements were prepared in accordance with Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting and also comply with IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2013. These explanatory notes attached to the quarterly condensed financial report 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 financial year ended 30 June 2013.

**A2. Significant Accounting Policies**

The accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in the consolidated annual financial statements for the year ended 30 June 2013. The Group has also adopted the following accounting standards and amendments which are effective for annual periods beginning on or after 1 January, 2013:

- i) MFRS 10, Consolidated Financial Statements
- ii) MFRS 11, Joint Arrangements
- iii) MFRS 12, Disclosure of Interests in Other Entities
- iv) MFRS 13, Fair Value Measurement
- v) MFRS 119, Employee Benefits (2011)
- vi) MFRS 127, Separate Financial Statements (2011)
- vii) MFRS 128, Investments in Associates and Joint Ventures (2011)
- viii) Amendments to MFRS 7, Financial Instruments : Disclosures - Offsetting Financial Assets and Financial Liabilities
- ix) Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
- x) Amendments to MFRS 101, Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
- xi) Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
- xii) Amendments to MFRS 132, Financial Instruments : Presentation (Annual Improvements 2009-2011 Cycle)
- xiii) Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
- xvi) Amendments to MFRS 10, Consolidated Financial Statements : Transition Guidance
- xv) Amendments to MFRS 11, Joint Arrangements : Transition Guidance
- xvi) Amendments to MFRS 12, Disclosure of Interests in Other Entities : Transition Guidance

The initial application of the above-mentioned standards and amendments did not have any material financial impacts to the financial statements of the Group.

**A3. Qualification of Audit Report of the Preceding Annual Financial Statements**

The audit report of the Group's annual financial statements for the year ended 30 June 2013 was not subjected to any audit qualification.

**A4. Seasonal or Cyclical Factors**

There has been no material seasonal or cyclical factors affecting the results of the quarter under review.

**A5. Nature and amount of unusual items**

There were no unusual items in the quarterly financial statements under review.

**A6. Changes in Accounting Estimates**

There were no changes in estimates of amounts reported that have a material effect in the current financial quarter.

**A7. Debt and Equity Securities**

There were no issuance, cancellations, repurchases, resale nor repayments of debts and equity securities, share buy-backs for the current financial period-to-date.

**A8. Dividends Paid**

There were no dividends paid during the current quarter and financial year to date.

#### **A9. Segmental Reporting**

The Group has one operating segment, principally confined to construction of buildings, provision of electrical and mechanical engineering services and maintenance works. Segment information has not been separately presented because internal reporting uses the Group's financial statements.

The Group's operations are operated solely in Malaysia. Accordingly, geographical segmental information has not been prepared.

#### **Major customers**

During the quarter, the following are major customers with revenue equal or more than 10% of the Group's revenue:

Customer A	RM19,738,452
Customer B	RM5,815,343

#### **A10. Valuation of Property, Plant and Equipment**

There were no changes in the valuation on property, plant and equipment since the last annual financial statements.

#### **A11. Material Events Subsequent to the Balance Sheet Date**

There are no material events that occurred subsequent to the current quarter.

#### **A12. Changes in the Composition of the Group**

There was no change in the composition of the Group for the current quarter under review.

#### **A13. Changes in Contingent Liabilities and Contingent Assets**

There were no changes in other contingent liabilities or contingent assets since the last annual Statement of Financial Position as at 30 June 2013.

#### **A14. Capital Expenditure**

On 16 August 2012, YFG Properties Sdn Bhd (formerly known as PJI Construction Sdn Bhd), a wholly owned subsidiary of the Company ("the Purchaser") had entered into a conditional sale and purchase agreement ("SPA") with Noble Star Services Sdn Bhd ("the Vendor") to purchase a piece of land identified as Geran 204616, Lot 78650, Mukim Damansara, Daerah Petaling, Negeri Selangor Darul Ehsan, measuring 5,257 square metres together with all building(s) erected or to be erected on the land including inter-alia a single storey warehouse, a three (3) storey office building, two (2) guard houses, a rubbish disposal site and an electricity substation for a total cash consideration of RM13,200,000.

#### **A15. Significant Related Party Transactions**

There was no related party transaction during the financial quarter under review.

### **ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS**

#### **B1. Review of Performance**

In the current quarter under review, the Group has registered a revenue of RM34.21 million representing a growth of 36.40% over the corresponding quarter of the preceding year. The significant growth in revenue was primarily due to higher percentage of workdone for existing and newly secured projects during the period.

Profit before tax of RM1.03 million for the current quarter has increased by RM0.58 million as compared to RM0.45 million in the corresponding quarter of the preceding year. The improvement in profit before tax was mainly attributed to the higher gross profit margin of 8.2% in the current quarter as compared to 6.8% of the corresponding quarter of the preceding year.

#### **B2. Comparison with Preceding Quarter**

The Group's revenue for the quarter ended 30 September 2013 has decreased to RM34.21 million as compared to that of the preceding quarter ended 30 June 2013 of RM57.59 million, mainly due to lower revenue being recognised for new projects, which are at the initial stage of construction.

The Group's profit margin before tax of 3.0% for the current quarter has improved by 1.2% over the preceding quarter of 1.8%, even though the Group's profit before tax for the current quarter of RM1.03 million has declined slightly as compared to the preceding quarter of RM1.04 million. The improvement of profit margin in the current quarter was mainly due to lower operating cost as compared to the preceding quarter where a provision for doubtful debts of RM2.47 million was made.

#### **B3. Prospects**

The Group continues to tender for more projects to further enhance its performance. Barring any unforeseen circumstances, the Group expects to achieve a satisfactory level of performance for the current financial year.

**B4. Profit Forecast / Profit Guarantee**

Not applicable as no profit forecast was announced for the current financial year.

**B5. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Tax expense for the year	(18)	-	(18)	-
Deferred taxation	(243)	-	(243)	-
	<b>(261)</b>	<b>-</b>	<b>(261)</b>	<b>-</b>

**B6. Group's Borrowings and Debt Securities**

Total Group's borrowings as at 30 September 2013 are as follows :

	Short Term	Long Term	Total
	RM'000	RM'000	RM'000
Secured	21,901	231	22,132
Unsecured	-	-	-
<b>Total Group's borrowings</b>	<b>21,901</b>	<b>231</b>	<b>22,132</b>

**B7. Status of Corporate Exercises**

The status of the three corporate exercises are as follows:-

- i) YFG Engineering Sdn Bhd (formerly known as PJ Indah Sdn Bhd) ("YFGE"), a wholly owned subsidiary of the Company, and Agni Power Sdn Bhd ("APSB") had, on 10 July 2012, entered into a conditional subscription agreement to subscribe for up to 17,000,000 irredeemable convertible preference shares of RM1.00 each ("ICPS") in APSB at par for a total consideration of up to RM17,000,000 ("Proposed Subscription").  
The Proposed Subscription, which had been approved by shareholders, is expected to be completed in the second (2nd) quarter of 2015.
- ii) YFG Properties Sdn Bhd (formerly known as PJI Construction Sdn Bhd) ("YFGP"), a wholly owned subsidiary of the Company had, on 16 August 2012, entered into a conditional sale and purchase agreement with Noble Star Services Sdn Bhd ("NSS") for a proposed acquisition of a piece of land identified as Geran 204616, Lot 78650, Mukim Damansara, Daerah Petaling, Negeri Selangor Darul Ehsan measuring 5,257 square metres together with all building(s) erected or to be erected on the land including inter-alia, a single storey warehouse, a three (3) storey office building, two (2) guard houses, a refuse chamber building and an electricity substation for a cash consideration of RM13,200,000 ("Proposed Acquisition").  
The Proposed Acquisition, which had been approved by shareholders, is expected to be completed before end December 2013.
- iii) The Company had on 14 May 2013 proposed to undertake the following proposals:-
  - (a) Proposed Change of Name from "PJI Holdings Berhad" to "YFG Berhad";
  - (b) Proposed Increase In The Authorised Share Capital of The Company from RM100,000,000 comprising 1,000,000,000 Ordinary Shares of RM0.10 each to RM500,000,000 comprising 5,000,000,000 ordinary shares RM0.10 each
  - (c) Proposed Amendments To The Memorandum and Articles of Association of the Company ("M&A") To Facilitate The Increase in Authorised Share Capital and the Proposed ESOS; and
  - (d) Proposed Establishment of An Employee Share Option Scheme ("ESOS") For the Eligible Employees (Including Directors) of the Company and its Subsidiaries.  
(collectively known as "the Proposals")

The Company had on 31 July 2013 obtained the shareholders' approval for the Proposals. Accordingly, the name of the Company has been changed to YFG Berhad with effect from 1 August 2013 upon the issuance of the Certificate of Incorporation on the Change of Name of the Company (Form 13) by the Companies Commission of Malaysia. In respect of ESOS scheme, it was implemented on 7 August 2013.

**B8. Changes in Material Litigation**

The pending material litigations of the Group, since the last annual balance sheet date, consist of the following :-

- Kejuruteraan Letrik Sunray Sdn Bhd ("KLS") vs YFG Engineering Sdn Bhd ("YFGE") (formerly known as PJ Indah Sdn Bhd)**
- i) YFGE has on 18 September 2007 received a Shah Alam High Court Writ of Summons No. 22-1395-2007 from KLS filed through their solicitors Messrs. Jasbeer, Nur & Lee, in connection with the subcontract works for the "Universiti Teknologi Petronas Development, Package 302 in Bandar Seri Iskandar, Tronoh, Perak Darul Ridzuan Project", which has been terminated by YFGE due to poor performance of KLS. KLS's claim in total is RM1,262,103.26 including alleged damages ("Claims"). KLS has obtained the Insolvency Department's approval to continue with the suit. The Decision for Security For Cost Application was dismissed and the Court proceeded with full trial on 4 & 5 March 2013. The matter is fixed for continued hearing on 3 and 4 March 2014.
- ii) **YFGE vs Plaza Rakyat Sdn Bhd ("PRSB")**  
 PRSB terminated the main contract due to funding problem. YFGE is disputing the validity of termination as well as counter-claiming for outstanding payment for works performed of approximately RM3,000,000. The Kuala Lumpur High Court has allowed stay of proceedings on 23 March 2007 and for the case to be referred to arbitration. YFGE has yet to initiate the arbitral proceeding.

**B9. Dividends**

No interim dividend has been recommended for the current quarter under review.

**B10. Earnings Per Share****(i) Basic earnings per share**

The calculation of basic earnings per share for the financial period is based on the net profit attributable to equity holders of the parent company and divided by the number of ordinary shares outstanding during the financial period.

	CURRENT YEAR QUARTER ENDED 30/09/2013	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30/09/2012	CURRENT YEAR TO DATE ENDED 30/09/2013	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30/09/2012
Profit attributable to owners of the parent company (RM'000)	765	449	765	449
Number of ordinary shares ('000)	609,070	609,070	609,070	609,070
Basic earnings per share (sen)	0.13	0.07	0.13	0.07

**(ii) Diluted earnings per share**

The fully diluted earnings per ordinary share is the same as the basic earnings per share as the effect of anti-dilutive potential ordinary shares is ignored in accordance with MFRS 133 on Earnings Per Share.

**B11. Corporate Guarantee**

Up to the quarter under review, the Group's total amount of Corporate Guarantees issued in favour to the Principal Financial Institution and Suppliers have decreased by RM2.96 million to RM155.85 million as compared to RM158.81 million in the preceding quarter.

**B12. Realised and Unrealised Profits/Losses Disclosure**

Breakdown of unappropriated profit/(accumulated losses) into realised and unrealised profits or losses.

	AS AT 30/09/2013 (Unaudited) RM '000	AS AT 30/06/2013 (Audited) RM '000
Realised	(26,054)	(27,062)
Unrealised	2,535	2,778
Total	(23,519)	(24,284)