



**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 QUARTER AND SIX MONTHS  
ENDED 31 DECEMBER 2013**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31/12/2013 RM '000	31/12/2012 RM '000	31/12/2013 RM '000	31/12/2012 RM '000
Revenue	<b>A9</b>	49,499	25,159	83,704	50,236
Cost of sales		(46,881)	(23,248)	(78,294)	(46,641)
<b>Gross profit</b>		<b>2,618</b>	<b>1,911</b>	<b>5,410</b>	<b>3,595</b>
Other income		57	10	63	189
Finance Income		34	52	72	97
Gain on disposal of investment property and PPE		-	-	16	-
Administrative expenses		(1,723)	(1,538)	(3,447)	(2,867)
Depreciation of property, plant and equipment and investment properties		(59)	(62)	(121)	(125)
Provision for doubtful debts		-	(43)	-	(43)
Bad debts written off		-	(52)	-	(52)
Other expenses		(1)	(5)	(2)	(5)
Finance costs		(27)	(71)	(67)	(138)
<b>Profit before taxation</b>		<b>899</b>	<b>202</b>	<b>1,924</b>	<b>651</b>
Taxation	<b>B5</b>	(225)	-	(486)	-
<b>Profit for the period representing total comprehensive income for the period</b>		<b>674</b>	<b>202</b>	<b>1,438</b>	<b>651</b>
<b>Profit and total comprehensive income for the period attributable to: Owners of the Company</b>		<b>674</b>	<b>202</b>	<b>1,438</b>	<b>651</b>
<b>Basic earnings per share attributable to equity holders of the company</b>					
Basic (sen)	<b>B10</b>	0.11	0.03	0.24	0.11

*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 31 DECEMBER 2013**

	AS AT 31/12/2013 (Unaudited) RM '000	AS AT 30/06/2013 (Audited) RM '000
<b>Non-Current Assets</b>		
Property, plant and equipment	983	755
Investment properties	6,170	4,238
Investment in associate companies	1,422	1,422
Deferred tax assets	2,310	2,778
	<b>10,885</b>	<b>9,193</b>
<b>Current Assets</b>		
Trade receivables	16,828	9,808
Retention sum	22,238	17,938
Amount due from customer for contract works	52,006	58,913
Other receivables, deposits and prepayments	22,886	16,223
Tax recoverable	11	5
Deposits with licensed banks	4,302	5,248
Cash and bank balances	13,285	1,503
	<b>131,556</b>	<b>109,638</b>
<b>TOTAL ASSETS</b>	<b>142,441</b>	<b>118,831</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	54,473	54,473
Provision for doubtful debts		
Translation reserve	203	203
Warrant reserve	8,070	8,070
ESOS reserve	428	-
Accumulated losses	(22,846)	(24,284)
<b>Equity attributable to equity holders of the company</b>	<b>40,328</b>	<b>38,462</b>
Non controlling interest	(103)	(103)
<b>Total Equity</b>	<b>40,225</b>	<b>38,359</b>
<b>Non-Current Liabilities</b>		
Hire purchase payables	326	266
	<b>326</b>	<b>266</b>
<b>Current Liabilities</b>		
Trade payables	64,404	62,528
Other payables and accruals	2,795	3,233
Hire purchase payables	142	104
Short term borrowings	32,223	14,336
Bank overdrafts	2,316	-
Provision for taxation	10	5
	<b>101,890</b>	<b>80,206</b>
<b>Total Liabilities</b>	<b>102,216</b>	<b>80,472</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>142,441</b>	<b>118,831</b>
<b>Net assets per share attributable to ordinary equity holders of the company (RM)</b>	<b>0.0662</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 31  
DECEMBER 2013**

	Six months ended 31/12/2013 RM'000	Six months ended 31/12/2012 RM'000
<b>Cash Flows From Operating Activities</b>		
<b>Profit before tax</b>	1,924	651
Adjustments for :-		
Depreciation of property, plant and equipment and investment properties	121	125
Share-based payments	428	-
Finance costs	67	138
Finance income	(72)	(97)
Gain on disposal of investment property and PPE	(16)	-
<b>Operating profit before changes in working capital</b>	<b>2,452</b>	<b>817</b>
<b>Changes in working capital</b>		
Net Changes in current assets	(11,076)	(7,983)
Net Changes in current liabilities	958	1,803
<b>Cash used in operations</b>	<b>(7,666)</b>	<b>(5,363)</b>
Tax paid	(19)	(27)
<b>Net cash used in operating activities</b>	<b>(7,685)</b>	<b>(5,390)</b>
<b>Cash Flows From Investing Activities</b>		
Provision for doubtful debts	24	-
Deposit from disposal of sub-subsidiary and net of cash & cash equivalents disposed	480	-
Withdrawal / (Pledged) of fixed deposits with licensed banks	946	(64)
Interest from deposit with licensed banks received	72	97
Purchase of property, plant and equipment	(2,289)	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(767)</b>	<b>33</b>
<b>Cash Flows For Financing Activities</b>		
Interest paid	(67)	(138)
Drawdown / (Repayment) of hire purchase payables	98	(51)
Drawdown of term loans and other bank borrowings	17,887	4,412
<b>Net cash generated from financing activities</b>	<b>17,918</b>	<b>4,223</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>9,466</b>	<b>(1,134)</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>10,969</b>	<b>370</b>
<b>Cash and cash equivalents as at period ended comprise the following:</b>		
Cash and bank balances	13,285	2,851
Placement of fixed deposits with licensed banks	4,302	4,176
Bank overdrafts	(2,316)	(2,481)
	15,271	4,546
Less : Fixed deposits pledged with a licensed bank	(4,302)	(4,176)
	10,969	370

*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 SIX MONTHS ENDED 31 DECEMBER 2013**

	← Attributable to Owners of the Parent →						Distributable Reserve	Non Controlling Interest	Total Equity
	← 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	RM'000	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	-	-	-	428	-	1,438	1,866	-	1,866
<b>Balance as at 31 December 2013</b>	<b>54,473</b>	<b>-</b>	<b>8,070</b>	<b>428</b>	<b>203</b>	<b>(22,846)</b>	<b>40,328</b>	<b>(103)</b>	<b>40,225</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	-	-	-	-	-	651	651	-	651
<b>Balance as at 31 December 2012</b>	<b>54,473</b>	<b>-</b>	<b>8,070</b>	<b>-</b>	<b>203</b>	<b>(28,235)</b>	<b>34,511</b>	<b>(203)</b>	<b>34,308</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*

Provision for doubtful debts

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 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**

For the current year-to-date, the following are major customers with revenue equal or more than 10% of the Group's revenue:

Customer A	RM49,516,985
Customer B	RM10,010,809

#### **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 were no material events that occurred subsequent to the current quarter.

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

On 28 October 2013, YFG Engineering Sdn Bhd (formerly known as PJ Indah Sdn Bhd), a wholly owned subsidiary of the Company has entered into a sale of shares agreement for the disposal of 86,940 ordinary shares of RM1.00 each fully paid representing 100% equity interest in Oprah Setia Sdn Bhd for a consideration of RM4.8 million. The sale was completed on 27 January 2014.

#### **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. The drawdown has yet to be effected and is pending completion of the property.

#### **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 RM49.50 million representing a growth of 96.7% over the corresponding quarter of the preceding year. The significant growth in revenue was primarily due to higher rate of completion of existing projects in the current period.

Profit before tax of RM0.90 million for the current quarter has increased by RM0.70 million as compared to RM0.20 million in the corresponding quarter of the preceding year. The improvement in profit before tax was derived from higher gross profit margin of existing projects.

For the current year-to-date, the Group total revenue increased by 66.6% to RM83.70 million from RM50.24 million in the preceding year-to-date. The upsurge in revenue was mainly contributed from higher rate of completion for existing projects as well as new projects secured in the current period.

The Group's profit before tax of RM1.92 million for the current year-to-date has increased by RM1.27 million as compared to RM0.65 million in the preceding year-to-date. The improved result was mainly attributed from higher revenue.

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

The Group's revenue for the quarter ended 31 December 2013 has increased by RM15.29 million to RM49.50 million as compared to the preceding quarter of RM34.21 million, mainly due to higher percentage of workdone for existing projects during the period.

The Group's profit before tax of RM0.90 million for the current quarter was lower by RM0.13 million over the preceding quarter of RM1.03 million, mainly due to lower gross profit recognised from an existing project which was near its completion stage.

**B3. Prospects**

The Government's recent announcement on the electricity tariff hike and ban on Developer Interest Bearing Scheme ("DIBS") may have an impact to the construction sector in Malaysia. Barring any unforeseen circumstances, the Group expects to deliver a satisfactory level of performance in the current financial year as the current outstanding order book is above RM450 million.

**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 31/12/2013 RM'000	Preceding 31/12/2012 RM'000	Current 31/12/2013 RM'000	Preceding 31/12/2012 RM'000
Tax expense for the period	-	-	(18)	-
Deferred taxation	(225)	-	(468)	-
	<b>(225)</b>	<b>-</b>	<b>(486)</b>	<b>-</b>

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

Total Group's borrowings as at 31 December 2013 are as follows :

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	34,681	326	35,007
Unsecured	-	-	-
<b>Total Group's borrowings</b>	<b>34,681</b>	<b>326</b>	<b>35,007</b>

**B7. Status of Corporate Exercises**

The status of the two 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 complete before end March 2014.

**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.

	<b>CURRENT YEAR QUARTER ENDED 31/12/2013</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER ENDED 31/12/2012</b>	<b>CURRENT YEAR TO DATE ENDED 31/12/2013</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER ENDED 31/12/2012</b>
Profit attributable to owners of the parent company (RM'000)	674	202	1,438	651
Number of ordinary shares ('000)	609,070	609,070	609,070	609,070
Basic earnings per share (sen)	0.11	0.03	0.24	0.11

**(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 of principal financial institutions and suppliers have increased by RM8.79 million to RM164.64 million as compared to RM155.85 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.

	<b>AS AT 31/12/2013 (Unaudited) RM '000</b>	<b>AS AT 30/06/2013 (Audited) RM '000</b>
Realised	(25,156)	(27,062)
Unrealised	2,310	2,778
Total	(22,846)	(24,284)