



**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 TWELVE MONTHS ENDED 30 JUNE 2014**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30/06/2014 RM '000	30/06/2013 RM '000	30/06/2014 RM '000	30/06/2013 RM '000
Revenue	A9	30,737	57,593	152,531	135,781
Cost of sales		(32,179)	(52,320)	(147,979)	(124,781)
<b>Gross (loss)/profit</b>		(1,442)	5,273	4,552	11,000
Other income		16	37	1,839	416
Finance Income		24	40	122	186
Gain on disposal of investment property and PPE		-	-	16	3
Bad debts recovery		-	200	-	137
Administrative expenses		(1,846)	(1,901)	(7,084)	(6,606)
Depreciation of property, plant and equipment and investment properties		(148)	(62)	(333)	(187)
Provision for doubtful debts		(4)	(2,472)	130	(2,693)
Other expenses		(2,623)	(5)	(2,625)	(12)
Finance costs		(82)	(34)	(162)	(221)
Share of loss of associated companies		(37)	(32)	(37)	(32)
<b>(Loss)/Profit before taxation</b>		(6,142)	1,044	(3,582)	1,991
Taxation	B5	208	2,757	(704)	2,711
<b>(Loss)/Profit for the period representing total comprehensive income for the period</b>		(5,934)	3,801	(4,286)	4,702
<b>(Loss)/Profit and total comprehensive income for the period attributable to:</b>					
Owners of the Company		(5,928)	3,701	(4,280)	4,602
Non controlling interest		(6)	100	(6)	100
		(5,934)	3,801	(4,286)	4,702
<b>Basic (loss)/earnings per share attributable to equity holders of the Company</b>					
Basic (sen)	B10	(0.97)	0.61	(0.70)	0.76

*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 JUNE 2014**

	AS AT 30/06/2014 (Unaudited) RM '000	AS AT 30/06/2013 (Audited) RM '000
<b>Non-Current Assets</b>		
Property, plant and equipment	16,310	755
Investment properties	3,332	4,238
Investment in associated companies	1,384	1,422
Deferred tax assets	2,169	2,778
	<u>23,195</u>	<u>9,193</u>
<b>Current Assets</b>		
Trade receivables	17,051	9,808
Retention sum	23,967	17,938
Amount due from customer for contract works	57,655	58,913
Other receivables, deposits and prepayments	11,607	16,223
Tax recoverable	5	5
Deposits with licensed banks	3,351	5,248
Cash and bank balances	2,695	1,503
	<u>116,331</u>	<u>109,638</u>
<b>TOTAL ASSETS</b>	<u>139,526</u>	<u>118,831</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	54,473	54,473
Reserve		
Translation reserve	203	203
Warrant reserve	8,070	8,070
ESOS reserve	857	-
Accumulated losses	(28,564)	(24,284)
<b>Equity attributable to equity holders of the company</b>	<u>35,039</u>	<u>38,462</u>
Non controlling interest	(109)	(103)
<b>Total Equity</b>	<u>34,930</u>	<u>38,359</u>
<b>Non-Current Liabilities</b>		
Hire purchase payables	423	266
	<u>423</u>	<u>266</u>
<b>Current Liabilities</b>		
Trade payables	60,152	62,528
Other payables and accruals	13,894	3,233
Hire purchase payables	297	104
Short term borrowings	23,867	14,336
Bank overdrafts	5,959	-
Provision for taxation	4	5
	<u>104,173</u>	<u>80,206</u>
<b>Total Liabilities</b>	<u>104,596</u>	<u>80,472</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>139,526</u>	<u>118,831</u>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>	<b>0.0575 **</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  
JUNE 2014**

	<b>Financial Year ended 30/06/2014 RM'000</b>	<b>Financial Year ended 30/06/2013 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
<b>(Loss)/Profit before tax</b>	(3,582)	1,991
Adjustments for :-		
Depreciation of property, plant and equipment and investment properties	333	191
Share of loss of associated company	37	32
Gain on Disposal of sub-subsidiary company	(800)	-
Share-based payments	857	-
Finance costs	162	221
Finance income	(122)	(186)
Gain on disposal of investment property and PPE	64	(3)
<b>Operating (loss)/profit before changes in working capital</b>	<b>(3,051)</b>	<b>2,246</b>
<b>Changes in working capital</b>		
Net Changes in current assets	(7,398)	(23,895)
Net Changes in current liabilities	8,285	20,952
<b>Cash used in operations</b>	<b>(2,164)</b>	<b>(697)</b>
Tax paid	(97)	(44)
<b>Net cash used in operating activities</b>	<b>(2,261)</b>	<b>(741)</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	24	3
Proceeds from disposal of sub-subsidiary company	4,800	-
Withdrawal / (Pledged) of fixed deposits with licensed banks	887	(126)
Interest from deposit with licensed banks received	123	186
Purchase of property, plant and equipment	(19,070)	(148)
<b>Net cash used in investing activities</b>	<b>(13,236)</b>	<b>(85)</b>
<b>Cash Flows For Financing Activities</b>		
Interest paid	(162)	(221)
Drawdown / (Repayment) of hire purchase payables	351	(100)
Drawdown of term loans and other bank borrowings	9,531	2,156
<b>Net cash from financing activities</b>	<b>9,720</b>	<b>1,835</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,777)</b>	<b>1,009</b>
<b>Cash and cash equivalents as at beginning of period</b>	<b>2,513</b>	<b>1,504</b>
<b>Cash and cash equivalents as at period ended</b>	<b>(3,264)</b>	<b>2,513</b>
<b>Cash and cash equivalents as at period ended comprise the following:</b>		
Cash and bank balances	2,695	1,503
Placement of fixed deposits with licensed banks	3,351	4,238
Short term deposits with licensed banks	-	1,010
Bank overdrafts	(5,959)	-
	87	6,751
Less : Fixed deposits pledged with a licensed bank	(3,351)	(4,238)
	<b>(3,264)</b>	<b>2,513</b>

*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 TWELVE MONTHS ENDED 30 JUNE 2014**

	←————— Attributable to Owners of the Company —————→						Total RM'000	Non Controlling Interest RM'000	Total Equity RM'000
	←————— Non-Distributable Reserves —————→			Distributable Reserve					
	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			
Balance as at 1 July 2013	54,473	-	8,070	-	203	(24,284)	38,462	(103)	38,359
(Loss)/Profit for the period, representing total comprehensive expense for the period	-	-	-	-	-	(4,280)	(4,280)	(6)	(4,286)
Share-based payments	-	-	-	857	-	-	857	-	857
<b>Balance as at 30 June 2014</b>	<b>54,473</b>	<b>-</b>	<b>8,070</b>	<b>857</b>	<b>203</b>	<b>(28,564)</b>	<b>35,039</b>	<b>(109)</b>	<b>34,930</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	-	-	-	-	-	4,602	4,602	100	4,702
<b>Balance as at 30 June 2013</b>	<b>54,473</b>	<b>-</b>	<b>8,070</b>	<b>-</b>	<b>203</b>	<b>(24,284)</b>	<b>38,462</b>	<b>(103)</b>	<b>38,359</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 TWELVE MONTHS ENDED 30 JUNE 2014**

**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)
- xiv) 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	RM82,261,348
Customer B	RM20,308,879

**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

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 2014.

#### 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 Certificate of Fitness for the property was issued on 30 June 2014.

#### 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 lower revenue of RM30.74 million, a 46.7% drop over the corresponding quarter of the preceding year. The lower revenue was primarily due to lesser revenue recognition on new projects and lower revenue on soon to be completed projects.

Loss before tax of RM6.1 million for the current quarter is due to recognition of additional cost on completed projects, fair value adjustment on outstanding debts and liquidated & ascertained damage totalling RM8.1 million.

For the current year-to-date, the Group total revenue increased by 12.3% to RM152.53 million from RM135.78 million in the preceding year-to-date. The growth in revenue was mainly contributed from higher rate of workdone for existing projects as well as new projects secured in the current period.

The Group incurred a loss before tax of RM3.58 million for the current year-to-date as compared to RM1.99 million profit before tax in the preceding year-to-date. This is due to recognition of additional cost on completed projects, fair value adjustment on outstanding debts and liquidated & ascertained damage totalling RM8.1 million.

#### B2. Comparison with Preceding Quarter

The Group's revenue for the quarter ended 30 June 2014 has decreased by RM6.46 million to RM30.74 million as compared to the preceding quarter of RM37.20 million, mainly due to lesser revenue recognised from projects.

#### B3. Prospects

The robust construction sector in Malaysia has provided a positive outlook in the electrical and mechanical services and building construction work in which the Group has focused in. The Group remains cautiously optimistic in turning around and achieving better performance in the next 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 30/06/2014 RM'000	Preceding 30/06/2013 RM'000	Current 30/06/2014 RM'000	Preceding 30/06/2013 RM'000
Tax expense for the period	(69)	(21)	(95)	(67)
Deferred taxation	277	2,778	(609)	2,778
	<u>208</u>	<u>2,757</u>	<u>(704)</u>	<u>2,711</u>

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

Total Group's borrowings as at 30 June 2014 are as follows :

	Short Term	Long Term	Total
	RM'000	RM'000	RM'000
Secured	30,123	423	30,546
Unsecured	-	-	-
<b>Total Group's borrowings</b>	<u>30,123</u>	<u>423</u>	<u>30,546</u>

#### B7. Status of Corporate Exercises

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

- 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 complete in the last quarter of 2016.

- 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 by October 2014.

#### B8. Changes in Material Litigation

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

- i) **Kejuruteraan Letrik Sunray Sdn Bhd ("KLS") vs YFG Engineering Sdn Bhd ("YFGE") (formerly known as PJ Indah Sdn Bhd)**  
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 Projecy", 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 was subsequently wound-up (vide Shah Alam High Court Winding-Up Petition No. 28-434-2010) and had obtained the Insolvency Department's approval to continue with the suit. The Court continued the hearing and concluded the hearing on 12 May 2014.

The Company wishes to announce that YFGE has on 22 August 2014 received the Court's decision, which it has, *inter alia*, decided as follows :-

- (i) YFGE pays KLS the sum of RM50,000;  
(ii) Interest at the rate of 5% per annum on RM50,000 from 9 August 2007 till full and final settlement of the Judgement sum. The computation of number of days as at to date is RM17,609.59. The interest computation continues until full and final settlement; and  
(iii) Cost of RM20,000 in favour of KLS.

However, as advised by our solicitors, KLS is entitled to lodge an appeal against this decision to the Court of Appeal within 30 days from 22 August 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 RM3,000,000.00. The Kuala Lumpur High Court has allowed stay of proceeding on 23 March 2007 and for the case to be referred to arbitration. After detailed deliberation of the matter by assessing the available information and legal advice, the Management has decided to withdraw the case.

#### B9. Dividends

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

#### B10. (Loss)/earnings Per Share

##### (i) Basic (loss)/earnings per share

The calculation of basic earnings per share for the financial period is based on the net profit/(loss) 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 30/06/2014	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30/06/2013	CURRENT YEAR TO DATE ENDED 30/06/2014	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30/06/2013
(Loss)/Profit attributable to owners of the parent company (RM'000)	(5,928)	3,701	(4,280)	4,602
Number of ordinary shares ('000)	609,070	609,070	609,070	609,070
Basic (loss)/earnings per share (sen)	(0.97)	0.61	(0.70)	0.76

##### (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 RM19.37 million to RM169.66 million as compared to RM150.29 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 30/06/2014 (Unaudited) RM '000	AS AT 30/06/2013 (Audited) RM '000
Realised	(30,733)	(27,062)
Unrealised	2,169	2,778
Total	(28,564)	(24,284)