



INTERIM FINANCIAL STATEMENTS

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

	← INDIVIDUAL QUARTER →	← CUMULATIVE QUARTER →			
		CURRENT YEAR QUARTER ENDED 31/12/2017 UNAUDITED RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30/12/2016 AUDITED RM'000	CURRENT YEAR TO DATE 31/12/2017 UNAUDITED RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 30/12/2016 AUDITED RM'000
Revenue	A9	2,155	7,516	2,155	7,516
Cost of Sales		(3,885)	(13,217)	(3,885)	(13,217)
Gross Loss		(1,730)	(5,701)	(1,730)	(5,701)
Other Income		-	6	-	6
Gain on Disposal of Property, Plant and Equipment		132	-	132	-
Administrative Expenses		(1,339)	(1,137)	(1,339)	(1,137)
Depreciation of Property, Plant and Equipment and Investment Property		(76)	(65)	(76)	(65)
Impairment of Trade Receivables		-	12	-	12
Finance Costs		(706)	(514)	(706)	(514)
Share of Loss of Associated Companies		(24)	(5)	(24)	(5)
Loss Before Taxation		(3,743)	(7,404)	(3,743)	(7,404)
Taxation	B5	-	5	-	5
Net Loss/ Total Comprehensive Loss for the Financial Period		(3,743)	(7,399)	(3,743)	(7,399)
Total Comprehensive Loss Attributable to:					
Equity Holders of the Company		(3,743)	(7,399)	(3,743)	(7,399)
Non-controlling Interest		-	-	-	-
		(3,743)	(7,399)	(3,743)	(7,399)
Loss Per Ordinary Share					
Basic and Diluted (sen)	B10	(0.61)	(1.21)	(0.61)	(1.21)

The above Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to this interim financial statements.



INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	AS AT 31/12/2017 (UNAUDITED) RM'000	AS AT 30/09/2017 (AUDITED) RM'000
Non-Current Assets		
Property, Plant and Equipment	1,829	1,830
Investment in Associates	1,236	1,260
	<u>3,065</u>	<u>3,090</u>
Current Assets		
Trade Receivables	8,972	5,098
Retention Sum	8,782	9,205
Amount Due From Contract Customers	31,199	32,276
Other Receivables, Deposits and Prepayments	3,542	3,763
Tax Recoverable	25	25
Cash and Bank Balances	123	169
	<u>52,643</u>	<u>50,536</u>
TOTAL ASSETS	<u>55,708</u>	<u>53,626</u>
EQUITY AND LIABILITIES		
Share Capital	60,908	60,908
Accumulated Losses	(145,099)	(141,356)
Equity Attributable to Equity Holders of the Company	<u>(84,191)</u>	<u>(80,448)</u>
Non-controlling Interest	(125)	(125)
Total Equity	<u>(84,316)</u>	<u>(80,573)</u>
Non-current Liabilities		
Hire Purchase Payables	16	24
Current Liabilities		
Trade Payables	91,428	87,358
Amount Due To Contract Customers	853	889
Other Payables and Accruals	28,305	26,560
Hire Purchase Payables	61	62
Bank Borrowings	19,010	18,955
Tax Payable	351	351
	<u>140,008</u>	<u>134,175</u>
TOTAL LIABILITIES	<u>140,024</u>	<u>134,199</u>
TOTAL EQUITY AND LIABILITIES	<u>55,708</u>	<u>53,626</u>
Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (RM)	<u>(0.14)</u>	<u>(0.13)</u>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to this interim financial statements.



YFG BERHAD (499758-W)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

	← Attributable to Owners of the Company →					
	← Non-Distributable →		Distributable Reserve			
	Share Capital RM'000	Translation Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
At 1 October 2017	60,908	-	(141,356)	(80,448)	(125)	(80,573)
Loss/Total Comprehensive Loss for the Financial Period	-	-	(3,743)	(3,743)	-	(3,743)
At 31 December 2017	60,908	-	(145,099)	(84,191)	(125)	(84,316)
At 1 October 2016	60,908	199	(112,264)	(51,157)	(125)	(51,282)
Loss for the Financial Year	-	-	(29,092)	(29,092)	-	(29,092)
Other Comprehensive Income	-	(199)	-	(199)	-	(199)
Total Comprehensive Loss for the Financial Year	-	(199)	(29,092)	(29,291)	-	(29,291)
At 30 September 2017	60,908	-	(141,356)	(80,448)	(125)	(80,573)

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to this interim financial statements.

INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

	Financial Period Ended 31/12/2017 (Unaudited) RM'000	Financial Year Ended 30/09/2017 (Audited) RM'000
Cash Flows From Operating Activities		
Loss Before Tax	(3,743)	(29,389)
Adjustments for: -		
Depreciation of Property, Plant and Equipment (PPE)	76	411
Impairment Losses of Receivables	-	1,460
Reversal of Impairment Losses on Trade Receivables and Amount Due from Contract Customers	-	(1,815)
Share of Loss of Associated Companies	24	53
Finance Costs	706	2,555
Foreign Exchange Translation Gain of a Subsidiary Struck off (Gain) / Loss on Disposal of PPE	-	(199)
	<u>(132)</u>	<u>279</u>
Operating Loss Before Changes in Working Capital	(3,069)	(26,645)
Changes in Working Capital		
Net Changes in Current Assets	(2,278)	(3,461)
Net Changes in Current Liabilities	4,973	31,743
Cash (Used In) / From Operations	(374)	1,637
Net Tax Refund	-	65
Interest Paid	-	(305)
Net Cash (Used In) / From Operating Activities	(374)	1,397
Cash Flows From Investing Activities		
Proceeds From Disposal of PPE	282	237
Cash Flows For Financing Activities		
Repayment of Hire Purchase Payables	(8)	(74)
Repayment of Bank Borrowings	-	(631)
Net Cash Used In Financing Activities	(8)	(705)
Net (Decrease) / Increase in Cash and Cash Equivalents	(100)	929
Cash and Cash Equivalents at Beginning of Period/ Year	(1,229)	(2,158)
Cash and Cash Equivalents at End of Period / Year	(1,329)	(1,229)
Cash and Cash Equivalents at End of Period / Year Comprised of:		
Cash and Bank Balances	123	169
Bank Overdraft	(1,452)	(1,398)
	<u>(1,329)</u>	<u>(1,229)</u>

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to this interim financial statements.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

A1. Basis of Preparation

The unaudited condensed consolidated 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.

This interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2017. These explanatory notes attached to the quarterly condensed financial statements 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 last financial year ended 30 September 2017.

A2. Significant Accounting Policies

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the year ended 30 September 2017 except for the adoption of the following which are applicable to its financial statements and are relevant to its operations: -

i) Adoption of standards and interpretations

Description	Effective for annual periods beginning on or after
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 April 2017
Amenments to MFRS 107: Disclosure Initiative	1 April 2017

The adoption of the above MFRSs and interpretations do not have significant financial impact to the financial statements of the Group.

ii) Standards and Interpretations issued but not yet effective

At the date of authorisation of these interim financial statements, the Group has not adopted the following accounting standards and interpretations that have been issued by the Malaysian Accounting Standards Board:

Description	Effective dates for financial periods beginning on or after
MFRS 15: Revenue from Contracts with Customers	1 January 2018
MFRS 9: Financial Instruments	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MRFS 128 : Long Term Interest in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The adoption of these standards above will have no material impact on the financial statements in the year of initial adoption.

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

The audit report of the Group's annual financial statements for the financial year ended 30 September 2017 was not subject to any audit qualification. However, the external auditors drew attention to the material uncertainties related to the Group and the Company to continue as going concerns. The going concern assumption is highly dependent upon successful approval and implementation of the proposed regularisation plan, and the ability of the Group and the Company to attain profitable operations to generate sufficeint cash flows to fulfill their obligations as and when they fall due. The proposed regularisation plan was submitted on 31 October 2017, and is pending approval from Bursa Malaysia Securities Berhad.

The key audit matters highlighted by independent auditors was the signficant accounting judgment and estimates made for the recognition of construction contract revenue and cost using the percentage of completion method, of which the external auditors have expressed unqualified opinion on the financial statements.

A4. Seasonal or Cyclical Factors

There have 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 quarter.

A8. Dividends Paid

There were no dividends paid during the current quarter.

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.

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	RM1,192,597
- Customer B	<u>RM1,002,829</u>

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. Significant Events

There were no significant events that occurred during the financial period under review.

A12. Material Events After the Interim Period

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

A13. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

A14. 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 September 2017.

A15. Capital Expenditure

There was no outstanding capital commitment at the end of the current quarter under review.

A16. Significant Related Party Transactions

	Financial Period	
	Ended 31/12/2017	Ended 31/12/2016
	RM'000	RM'000
With related companies:		
- Human resource consulting services	-	65
- Warehouse rental	-	<u>24</u>

The directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA

B1. Review of Performance

For the current quarter, the Group recorded a lower revenue of RM2.16 million, a 71.33% decrease compared to the corresponding quarter in the preceding year of RM7.52 million. The decrease in revenue was attributed to the lower revenue recognised from completed projects.

A loss after tax of RM3.74 million was recorded, compared to RM7.40 million recorded in the corresponding quarter of the preceding year, primarily due to lower project cost recognised for the completed projects.

B2. Comparison with Preceding Quarter

The Group recorded a revenue of RM2.16 million for the current quarter, decrease of 87.94% compared to RM17.91 million recorded in the immediate preceding quarter. The decrease was attributed to the reduced revenue recognised from the projects completed in the previous financial year, of which the finalisation of project accounts is still in progress.

A loss after tax of RM3.74 million was recorded for the current reporting quarter compared to RM8.09 million posted in the immediate preceding quarter. The lower loss was mainly due to recognition of lower tail-end cost for the completed projects.

B3. Prospects

The business in construction industry remains challenging. The Group is hopeful of improving its financial results upon:-

- (a) Timely completion of the proposed regularisation plan;
- (b) Timely execution of the contract works of RM235 million and RM200 million medium cost apartment projects announced on 14 August 2017 and 17 October 2017 respectively; and
- (c) Further enhancing the order book.

B4. Profit Forecast / Profit Guarantee

Not applicable as no profit forecast was announced during the current quarter.

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current 31/12/2017 RM'000	Preceding 30/12/2016 RM'000	Current 31/12/2017 RM'000	Preceding 30/12/2016 RM'000
Real property gain tax	-	1	-	1
Over provision in prior year	-	-	-	-
Income tax	-	4	-	4
	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>

B6. Bank Borrowings and Debt Securities

Total bank borrowings as at 31 December 2017 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	<u>19,071</u>	<u>16</u>	<u>19,087</u>

B7. Subsequent Events

There were no material events subsequent to the financial period ended 31 December 2017 up to the date of this report.

B8. Changes in Material Litigation

The pending material litigations of the Group, since the last annual date of statement of financial position, consist of the following:-

YFG Trolka Sdn Bhd ("YFGT") vs Palikota Sdn Bhd

YFGT is presently proposing a scheme of arrangement with its creditors under Section 176 of the Companies Act, 1965 wherein the restraining order is obtained. The Court had rescheduled the e-review to 21 March 2018.

B9. Dividends

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

B10. Loss Per Ordinary Share**i) Basic loss per ordinary share**

The calculation of basic loss per ordinary share for the financial year is based on the net loss attributable to equity holders of the parent company and divided by the number of ordinary shares outstanding during the financial period as follows:

	CURRENT PERIOD QUARTER ENDED 31/12/2017	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30/12/2016	CURRENT PERIOD TO DATE 31/12/2017	PRECEDING YEAR CORRESPONDING PERIOD ENDED 30/12/2016
Loss attributable to owners of the parent company (RM'000)	(3,743)	(7,399)	(3,743)	(7,399)
Number of ordinary shares ('000)	609,076	609,076	609,076	609,076
Basic loss per ordinary share (sen)	<u>(0.61)</u>	<u>(1.21)</u>	<u>(0.61)</u>	<u>(1.21)</u>

ii) Diluted earnings per ordinary share

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

B11. Corporate Guarantee

The Corporate Guarantees issued in favour of financial institutions was RM34.10 million for the quarter under review.

B12. Realised and Unrealised Losses Disclosure

The breakdown of accumulated losses into realised and unrealised profits or losses is as follow:-

	As At 31/12/2017 (Unaudited) RM'000	As At 30/9/2017 (Audited) RM'000
Realised	(145,099)	(141,356)
Unrealised	-	-
Total	<u>(145,099)</u>	<u>(141,356)</u>