



**INTERIM FINANCIAL STATEMENTS**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

	Note	← INDIVIDUAL QUARTER →		← CUMULATIVE QUARTER →	
		CURRENT YEAR QUARTER ENDED 31/12/2018 UNAUDITED RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31/12/2017 UNAUDITED RM'000	CURRENT PERIOD TO DATE 31/12/2018 UNAUDITED RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 31/12/2017 UNAUDITED RM'000
Revenue	A9	1,239	2,155	1,239	2,155
Cost of Sales		(154)	(3,885)	(154)	(3,885)
<b>Gross Profit/(Loss)</b>		<b>1,085</b>	<b>(1,730)</b>	<b>1,085</b>	<b>(1,730)</b>
Other Income		14	-	14	-
Gain on Disposal of Property, Plant and Equipment		-	132	-	132
Administrative Expenses		(1,315)	(1,339)	(1,315)	(1,339)
Depreciation of Property, Plant and Equipment and Investment Property		(54)	(76)	(54)	(76)
Net Impairment of Receivables and Amount Due From Contract Customers		(1,970)	-	(1,970)	-
Finance Costs		(683)	(706)	(683)	(706)
Share of Profit / (Loss) of Associated Companies		15	(24)	15	(24)
<b>Loss Before Taxation</b>		<b>(2,908)</b>	<b>(3,743)</b>	<b>(2,908)</b>	<b>(3,743)</b>
Taxation	B5	(185)	-	(185)	-
<b>Net Loss / Total Comprehensive Loss for the Financial Period</b>		<b>(3,093)</b>	<b>(3,743)</b>	<b>(3,093)</b>	<b>(3,743)</b>
<b>Loss / Total Comprehensive Loss for the Financial Period Attributable to:</b>					
Equity Holders of the Company		(3,093)	(3,743)	(3,093)	(3,743)
Non-controlling Interest		-	-	-	-
		<b>(3,093)</b>	<b>(3,743)</b>	<b>(3,093)</b>	<b>(3,743)</b>
<b>Loss Per Ordinary Share</b>					
Basic and Diluted (sen)	B10	(0.51)	(0.61)	(0.51)	(0.61)

*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 2018 and the accompanying explanatory notes attached to this interim financial statements.*



## INTERIM FINANCIAL STATEMENTS

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	AS AT 31/12/2018 (UNAUDITED) RM'000	AS AT 30/09/2018 (AUDITED) RM'000
<b>Non-Current Assets</b>		
Property, Plant and Equipment	1,563	1,618
<b>Current Assets</b>		
Trade Receivables	6,918	5,313
Retention Sum	6,348	7,267
Amount Due From Contract Customers	25,422	29,342
Other Receivables, Deposits and Prepayments	943	948
Tax Recoverable	12	12
Cash and Bank Balances	51	351
	<b>39,694</b>	<b>43,233</b>
Non-Current Assets Classified as Held for Sale		
Investment in Associates	1,242	1,227
	<b>40,936</b>	<b>44,460</b>
<b>TOTAL ASSETS</b>	<b>42,499</b>	<b>46,078</b>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	60,908	60,908
Accumulated Losses	(158,560)	(155,467)
<b>Equity Attributable to Equity Holders of the Company</b>	<b>(97,652)</b>	<b>(94,559)</b>
Non-controlling Interest	(124)	(124)
<b>Total Equity</b>	<b>(97,776)</b>	<b>(94,683)</b>
<b>Current Liabilities</b>		
Trade Payables	86,100	88,094
Other Payables and Accruals	34,974	33,575
Hire Purchase Payables	-	6
Bank Borrowings	18,998	19,086
Tax Payable	203	-
	<b>140,275</b>	<b>140,761</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>42,499</b>	<b>46,078</b>
Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (RM)	<b>(0.16)</b>	<b>(0.16)</b>

*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 2018 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 31 DECEMBER 2018**

	← Attributable to Owners of the Company →				Total Equity RM'000
	Non- Distributable	Distributable Reserve	Total	Non-controlling Interest	
	Share Capital RM'000	Accumulated Losses RM'000	RM'000	RM'000	
At 1 October 2018	60,908	(155,467)	(94,559)	(124)	<b>(94,683)</b>
Loss / Total Comprehensive Loss for the Financial Period	-	(3,093)	(3,093)	-	<b>(3,093)</b>
<b>At 31 December 2018</b>	<b>60,908</b>	<b>(158,560)</b>	<b>(97,652)</b>	<b>(124)</b>	<b>(97,776)</b>
At 1 October 2017	60,908	(141,356)	(80,448)	(125)	(80,573)
Loss / Total Comprehensive Loss for the Financial Year	-	(14,111)	(14,111)	1	(14,110)
<b>At 30 September 2018</b>	<b>60,908</b>	<b>(155,467)</b>	<b>(94,559)</b>	<b>(124)</b>	<b>(94,683)</b>

*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 2018 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 2018**

	<b>Financial Period Ended 31/12/2018 (Unaudited) RM'000</b>	<b>Financial Year Ended 30/09/2018 (Audited) RM'000</b>
<b>Cash Flows From Operating Activities</b>		
<b>Loss Before Tax</b>	<b>(2,908)</b>	<b>(14,110)</b>
Adjustments for: -		
Depreciation of Property, Plant and Equipment (PPE)	<b>54</b>	287
Impairment Losses on Amount Due from Contract Customers	<b>2,144</b>	1,722
Reversal of Impairment losses on Receivables	<b>(174)</b>	(4)
Share of (Profit) / Loss of Associated Companies	<b>(15)</b>	32
Finance Costs	<b>683</b>	1,332
Gain on Disposal of PPE	<b>-</b>	(132)
<b>Operating Loss Before Changes in Working Capital</b>	<b>(216)</b>	<b>(10,873)</b>
<b>Changes in Working Capital</b>		
Net Changes in Current Assets	<b>1,269</b>	4,865
Net Changes in Current Liabilities	<b>(1,148)</b>	6,629
<b>Cash (Used in) / Generated From Operations</b>	<b>(95)</b>	<b>621</b>
Net Tax Paid	<b>-</b>	(338)
Interest Paid	<b>(111)</b>	(209)
<b>Net Cash (Used In) / From Operating Activities</b>	<b>(206)</b>	<b>74</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds From Disposal of PPE	<b>-</b>	282
Purchase of PPE	<b>-</b>	(225)
<b>Net Cash From Investing Activities</b>	<b>-</b>	<b>57</b>
<b>Cash Flows For Financing Activities</b>		
Repayment of Hire Purchase Payables	<b>(6)</b>	(80)
Repayment of Bank Borrowings	<b>(150)</b>	(792)
<b>Net Cash Used In Financing Activities</b>	<b>(156)</b>	<b>(872)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(362)</b>	<b>(741)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>(1,970)</b>	<b>(1,229)</b>
<b>Cash and Cash Equivalents at End of Period / Year</b>	<b>(2,332)</b>	<b>(1,970)</b>
<b>Cash and Cash Equivalents at End of Period / Year Comprised of:</b>		
Cash and Bank Balances	<b>51</b>	351
Bank Overdraft	<b>(2,383)</b>	(2,321)
	<b>(2,332)</b>	<b>(1,970)</b>

*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 2018 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 2018**

**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 2018. 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 2018.

**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 2018 except for the adoption of the following which are applicable to its financial statements and are relevant to its operations: -

- (a) Adoption of standards and interpretations

Description	Effective for annual periods beginning on or after
MFRS 9 : Financial Instruments	1 January 2018
MFRS 15 : Revenue from Contract with Customers	1 January 2018
Amendments to MFRS 15 : Clarification to MFRS 15 : Revenue from Contracts with Customers	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

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

- (b) 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 16 Leases	1 January 2019
Amendments to MFRS 128 : Long-Term Interests in Associates and Joint Ventures	1 January 2019
IC Interpretation 23 : Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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 Auditors had qualified the Group's financial statements for the financial year ended 30 September 2018 on the following basis:-

- (a) Going concern assumptions as the Group and the Company are highly dependent upon the successful approval and implementation of the proposed regularisation plan pursuant to paragraph 8.04 and 2.1(e) of Practice Note 17 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The proposed regularisation plan is pending approval from Bursa Securities as at the date of this interim report.
- (b) The Group and the Company have been involved in a number of litigations due mainly to delay in settling the outstanding amount as well as disputes. As the outcome of these litigations are not presently known, the financial impact cannot be estimated or ascertained with reasonable certainty. Therefore, the Group is unable to quantify the financial impact or expected losses, if any, should the outcome of the litigation be unfavorable to the Group.

The key audit matters highlighted by independent auditors was the significant accounting judgment and estimates made for the impairment of trade receivables, of which the external auditors do not provide a separate opinion on this matter.

**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 period-to-date, the following is a major customer with revenue equal or more than 10% of the Group's revenue:

- Customer A RM1,314,838

**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**

(a) Termination of Contract Works

(i) The Company's wholly owned subsidiary, YFG Engineering Sdn Bhd ("YFGE") had on 13 December 2018 received the Notice of Termination from Atta Properties Sdn Bhd ("Atta Properties") for the contract works for the proposed construction and completion of 62 units of Apartments and 38 units of Offices on a 23-storey Building on Lot 71113, Jalan Sultan Azlan Shah, Daerah Barat Daya, Mukim 12, Pulau Pinang ("Project") for RM40 million. The notice of termination was served to YFGE owing to some legal and financial issues which currently affect the progress and sub-contractor of the Project on the part of Atta Properties.

(ii) YFGE had on 19 December 2018 received the Notice of Termination dated 17 December 2018 from Sungguh Gemilang Development Sdn Bhd ("Sungguh Gemilang"), a subsidiary of Atta Global Group Berhad for the contract works for the proposed construction and completion of 112 units of 14-storey Apartment Building and 8 units of 3-Storey Terrace Houses on Lot 10078, Seksyen 3, Jalan Cantik, Bandar Butterworth, Seberang Perai Utara, Pulau Pinang ("Project") for RM30 million. The notice of termination was served to YFGE owing to corporate/personal guarantees issue which currently affect the progress and sub-contractor of the Project on the part of Sungguh Gemilang.

(b) Restraining Order

The Kuala Lumpur High Court had on 21 December 2018 extended the Restraining Order for a period of one hundred and eighty (180) days from 26 December 2018 to 23 June 2019.

**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 2018.

**A15. Capital Expenditure**

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

**A16. Significant Related Party Transactions**

There was no significant related party transactions at the end of the current quarter under review.

## **ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA**

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

For the current quarter, the Group recorded a revenue of RM1.24 million, a 42.59% reduction compared to the corresponding quarter in the preceding year of RM2.16 million. The decrease in revenue was attributed to low tail-end revenue recognised from the completed projects.

A loss after tax of RM3.09 million was recorded, compared to RM3.74 million recorded in the corresponding quarter of the preceding year, primarily due to certified variation order recognised from the finalisation of project accounts, negated by net impairment of receivables and amount due from contract customers of RM1.97 million.

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

The Group recorded a revenue of RM1.24 million for the current quarter, a 6.06% reduction compared to RM1.32 million recorded in the immediate preceding quarter. The decrease was attributed to lower revenue recognised from the finalisation of accounts for completed projects.

A lower loss after tax of RM3.09 million was recorded for the current reporting quarter compared to RM3.22 million posted in the immediate preceding quarter. The lower loss due to the certified variation order recognised from the finalisation of project accounts, negated by net impairment of receivables and amount due from contract customers of RM1.97 million.

### **B3. Prospects**

The Group is hopeful of improving its financial results for the remaining financial year with the securing of new projects.

### **B4. Profit Forecast / Profit Guarantee**

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

### **B5. Taxation**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current</b>	<b>Preceding</b>	<b>Current</b>	<b>Preceding</b>
	<b>31/12/2018</b>	<b>31/12/2017</b>	<b>31/12/2018</b>	<b>31/12/2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Under provision in prior year	(185)	-	(185)	-

### **B6. Bank Borrowings and Debt Securities**

Total bank borrowings as at 31 December 2018 are as follows:

	<b>Short Term</b>	<b>Long Term</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Secured	18,998	-	18,998

### **B7. Subsequent Events**

The Company's wholly owned subsidiary, YFGE had on 2 January 2019 accepted a Letter of Award dated 28 December 2018 from the developer, Seri Ceka Sdn Bhd for the contract works for the proposed construction and completion of 666 units of semi-detached single storey PRIMA homes and 74 units of shop lots including the infrastructures works in Penor, Mukim Penor, Daerah Kuantan, Pahang Darul Makmur for RM127 million.

YFGE also had on 25 February 2019 accepted a Letter of Award dated 24 February 2019 from Andeli Malaysia Sdn Bhd for the proposed sub-contract mechanical and electrical works to the extension of existing Ferro Silicon and Manganese Alloy Smelting Plant of Om Materials (Sarawak) Sdn Bhd at Lot 41, Block 1, Kemana Land District, Samalaju Industrial Park, Bntulu, Sarawak (Package 1, 2 & 3) for RM9.7 million.

### **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 vs Palikota Sdn Bhd**

The court hearings have been on-going intermittently since April 2018. The High Court of Kota Kinabalu has fixed the next hearing dates on 11 to 15 March 2019, and 18 to 22 March 2019.

### **B9. Dividends**

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

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

The calculation of basic loss per ordinary share for the financial period 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:

	<b>CURRENT YEAR QUARTER ENDED 31/12/2018</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER ENDED 31/12/2017</b>	<b>CURRENT PERIOD TO DATE 31/12/2018</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD ENDED 31/12/2017</b>
Loss attributable to owners of the parent company (RM'000)	(3,093)	(3,743)	(3,093)	(3,743)
Number of ordinary shares ('000)	609,076	609,076	609,076	609,076
Basic loss per ordinary share (sen)	<u>(0.51)</u>	<u>(0.61)</u>	<u>(0.51)</u>	<u>(0.61)</u>

**(b) 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 RM34.09 million for the quarter under review.