

YIKON CORPORATION BHD (527272-V)
INTERIM REPORT FOR THE FORTH FINANCIAL QUARTER ENDED 31 OCTOBER 2006
Condensed Consolidated Income Statements (Unaudited)

	Current Quarter		Cumulative Quarter	
	Current Year Quarter 31/10/2006 RM'000	Preceding Year Corresponding Quarter 31/10/2005 RM'000	Current Year To Date 31/10/2006 RM'000	Preceding Year To Date 31/10/2005 RM'000
Revenue	49,540	56,517	229,209	77,011
Cost of goods sold	(48,519)	(54,928)	(221,539)	(71,290)
Gross profit	1,021	1,589	7,670	5,721
Administrative expenses	(1,990)	(1,424)	(7,222)	(5,923)
Other operating expenses		(108)		(197)
Other operating income	345	519	877	2,185
Operating profit	(624)	576	1,324	1,786
Finance cost	(170)	(220)	(875)	(1,090)
Profit before tax	(794)	356	449	696
Taxation	418	(335)	(243)	(369)
Profit after tax	(376)	21	206	327
Earnings per share (sen)				
- basic	(0.90)	0.05	0.49	0.81
- diluted	NA	0.05	0.48	0.79
- anti-dilutive	(0.88)			

The Condensed Consolidated Income Statements should be read in conjunction with the Group's audited Financial Statements as at 31 Oct 2005. The accompanying notes are an integral part of this income statements.

YIKON CORPORATION BHD (527272-V)
INTERIM REPORT FOR THE FORTH FINANCIAL QUARTER ENDED 31 OCTOBER 2006
Condensed Consolidated Balance Sheet

	Note	Unaudited As at 31/10/2006 RM'000	Audited As at 31/10/2005 RM'000
Non Current Assets			
Property, Plant & Equipment		19,416	20,217
Current Assets			
Inventories		26,699	10,723
Trade receivables		26,475	24,868
Other receivables, deposits and prepayments		14,907	33,669
Tax refundable		936	485
Cash & cash equivalents		24,116	4,089
		93,133	73,834
Current Liabilities			
Trade payables		36,386	23,249
Other payables and accruals		22,718	17,851
Short term borrowing		-	1,300
		59,104	42,400
Net Current Assets		34,029	31,434
Shareholders' Funds			
Share Capital		42,294	40,975
Reserves			
Share Premium		5,720	5,021
Exchange Fluctuation Reserve		(291)	210
Unappropriated profits		4,038	3,832
		9,467	9,063
Deferred Taxation		1,684	1,613
		53,445	51,651
Net Assets per share (RM)		1.22	1.22

The Condensed Consolidated Income Statements & Balance Sheet should be read in conjunction with the Group's audited Financial Statements as at 31 October 2005. The accompanying notes are an integral part of this balance sheet.

YIKON CORPORATION BHD (527272-V)
INTERIM REPORT FOR THE FORTH FINANCIAL QUARTER ENDED 31 OCTOBER 2006
Condensed Consolidated Statement of Changes in Equity (Unaudited)

As of 31/10/2006	Note	Non - Distributable			Distributable	
		Share Capital	Share Premium	Exchange Fluctuation Reserve	Retained Profit	Total
		RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 01/11/2005		40,975	5,021	210	3,832	50,038
Issue of share		1,319	699			2,018
Net Profit for the year					206	206
Currency Translation Difference				(501)		(501)
Balance as at 31/10/2006		42,294	5,720	(291)	4,038	51,761

As of 31/10/2005	Note	Non - Distributable			Distributable	
		Share Capital	Share Premium	Exchange Fluctuation Reserve	Retained Profit	Total
		RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 01/11/2004		40,000	4,720	(38)	3,505	48,187
Issue of share		975	301			1,276
Net Profit for the year					327	327
Currency Translation Difference				248		248
Balance as at 31/10/2005		40,975	5,021	210	3,832	50,038

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Group's audited Financial Statements as at 31 October 2005. The accompanying notes are an integral Part of this statement.

YIKON CORPORATION BHD (527272-V)
INTERIM REPORT FOR THE FORTH FINANCIAL QUARTER ENDED 31 OCTOBER 2006
Condensed Consolidated Cash Flow Statement (Unaudited)

	As of 31/10/2006	As of 31/10/2005
Note	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	449	696
Adjustments for: -		
Depreciation	2,046	1,821
Impairment loss		119
Loss/(Gain) on disposal of fixed assets		9
Fixed Asset written off	56	1
Interest expenses	875	1,090
Negative goodwill recognized		(1,665)
Other income		(1)
Interest income	(824)	(473)
Operating profit before working capital changes	2,602	1,597
(Increase) / Decrease in:		
Inventories	(15,976)	(1,904)
Trade and other receivables	17,354	(17,183)
Increase / (Decrease) in:		
Trade and other payables	17,899	27,633
Cash generated from operating activities	21,879	10,143
Interest paid	(875)	(1,090)
Interest received	824	473
Tax paid	(716)	1,500
Other income		1
Net cash generated from operating activities	21,112	11,028
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,313)	(1,987)
Proceed from disposal of property, plant & equipment	11	27
Exchange different	(43)	248
Net cash generated from / (used in) investing activities	(1,345)	(1,712)
CASH FLOW FROM FINANCING ACTIVITIES		
Bank Borrowings	(1,300)	(11,972)
Issued of shares	2,018	1,277
Net cash generated from / (used in) financing activities	718	(10,695)
Exchange different in Translation	(458)	
Net increase/(decrease) in cash and cash equivalents	20,027	(1,379)
Cash and cash equivalents as at 1 November	4,089	5,468
Cash and cash equivalents as at 31 October	24,116	4,089

Condensed Consolidated Cash Flow Statement should be read in conjunction with the Group's audited Financial Statements as at 31 October 2005. The accompanying notes are an integral part of this statement.

YIKON CORPORATION BHD (527272-V)
INTERIM REPORT FOR THE FORTH FINANCIAL QUARTER ENDED 31 OCTOBER 2006
Notes to the interim financial report

1. Accounting Policies

The interim financial reports of the Group have been prepared in accordance with MASB 26 "Interim Financial Report" and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia, and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 October 2005.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 October 2005.

2. Audit Report of Preceding Annual Financial Statements

The audited financial statements of the Group for the financial year ended 31 October 2005 were not subject to any audit qualifications.

3. Seasonal or Cyclical Factors

Seasonal or cyclical factors have no significant impact on the principal business operations of the Group, except turnover for the Group is normally higher during the festive seasons in particular the month of Ramadan.

4. Exceptional and Extraordinary Item

There were no material exceptional and extraordinary items affecting assets, liabilities, equity, net income or cash flow during the quarter under review.

5. Changes in Estimates

There was no material change in estimates of amounts reported in prior interim periods of the current financial year to date or prior financial year.

6. Issuances and Repayment of Debt and Equity Securities

There was no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year under review except 1,318,800 new ordinary shares had been issued to eligible staff who exercised their options under the Employee Share Option Scheme (ESOS) of the Company. The details are as follows:

No. of shares (unit)	Option Price (RM)	Share Capital (RM)	Premium (RM)	Increase in Equity (RM)
842,800	1.21	842,800	176,988	1,019,788
231,300	1.66	231,300	152,658	383,958
<u>244,700</u>	2.51	<u>244,700</u>	<u>369,497</u>	<u>614,197</u>
<u>1,318,800</u>		<u>1,318,800</u>	<u>699,143</u>	<u>2,017,943</u>

7. Dividend Paid

There was no dividend paid during the current financial quarter under review.

8. **Segmental Information**

	Middle East	Malaysia	Other Asian Countries	Group
	RM'000	RM'000	RM'000	RM'000
Revenue by location of customer	146,989	71,551	10,669	229,209
Profit before tax	(2,400)	3,245	(396)	449

The segmental information is presented based on the geographical location of customers.

9. **Property, Plant and Equipment**

The valuations of land and buildings have been brought forward without any amendment from the previous audited financial statements.

10. **Material Events Subsequent to the End of the Period Reported**

There was no material event subsequent to the end of the current quarter under review.

11. **Changes In The Composition Of The Group**

There was no change in the composition of the Group during the current quarter under review except a new wholly own subsidiary with paid up capital of RM2 has been incorporated in current financial year.

12. **Contingent Liabilities**

	As at 31/7/2006 RM'000	As at 31/10/2005 RM'000
Corporate guarantee given to financial institutions in respect of banking facilities granted to a wholly owned subsidiary	62,700	67,700

13. **Capital Commitments**

There was no capital commitment for the purchase of property, plant and equipment for the Group as of the reporting date.

14. **Related Party Transactions**

There was no related party transaction in the current quarter under review except rental expenses paid by a subsidiary to a Director and a company in which certain Directors have substantial financial interest for the amount of RM 4,870 and RM67,450 respectively.

The Directors of the Company are of the opinion that this transaction was entered into in the ordinary course of business and the terms of which have been established on a negotiated basis.

15. **Review of Performance of the Company and its Principal Subsidiaries Compared to the Results of the Preceding Year**

The Group recorded a turnover of RM49.5m in the current quarter, a decrease of 12.3 percent as compared to the corresponding quarter in year 2005. This is mainly attributed to the lower sales of wafer gold.

Market remains competitive as a consequence of the high and volatile gold price and political uncertainties in the Middle East. As a result, the Group registered a loss before tax of RM 794k.

16. **Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter**

The Group's turnover dropped by 2.6 percent in the current reporting quarter as compared to the preceding quarter largely driven by the reduced in sale of gold wafer.

Market in Middle East remains competitive due to the gold price volatility as well as local market factors. As a result, Group recorded a loss before tax of RM 794,000 in current quarter.

17. **Next Year Prospects**

Barring any unforeseen circumstances, the Board foresees a competitive but improving market in the year ahead. The volatility of the gold price remains the important factor affecting demand in the gold jewellery industry.

The Group will continue its efforts in expanding the retail operations, which focus on a few of the more strategic Provinces in China. It is also expected to perform better in the next financial year.

18. **Variance of Actual Profit Compared to Forecast Profit**

Not applicable as no profit forecast was published.

19. **Taxation**

The taxation of the Group for the financial quarter under review is as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/10/2006 RM'000	Preceding Year Corresponding Quarter 31/10/2005 RM'000	Current Year To Date 31/10/2006 RM'000	Preceding Year To Date 31/10/2005 RM'000
Tax Expenses				
Malaysia – current year	(328)	86	173	120
- prior year		1	-	1
Sub Total	(328)	87	173	121

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/10/2006 RM'000	Preceding Year Corresponding Quarter 31/10/2005 RM'000	Current Year To Date 31/10/2006 RM'000	Preceding Year To Date 31/10/2005 RM'000
Deferred Tax Expenses				
Malaysia – current year	(100)	142	60	142
- prior year	10	106	10	106
Sub Total	(90)	248	70	248
Total	(418)	335	243	369

The tax provision for the Group in the current financial year to date is higher than the statutory tax rate mainly due to tax on profits of certain subsidiaries which cannot be set-off against losses of other subsidiaries for tax purposes as group relief is not available.

20. **Unquoted Investment and Properties**

There was no disposal of unquoted investment and properties in the quarter under review.

21. **Quoted Securities**

There was no disposal or purchase of quoted securities for the current quarter under review.

22. **Status of Corporate Proposals Announced**

There was no corporate proposal announced by the Company in the current quarter under review.

23. **Group Borrowings and Debts Securities**

The Group borrowings as at 31 October 2006 are as follows:

	As at 31/10/2006 RM'000	As at 31/10/2005 RM'000
Amount payable within 12 months	-	1,300

The bank borrowings of the Group are all in Ringgit Malaysia and secured by corporate guarantee given by the holding company.

24. **Off Balance Sheet Financial Instruments**

There is no off balance sheet financial instrument for the current reporting quarter.

25. **Changes In Material Litigation**

a. The Group has not engaged in any material litigation case which proceedings might materially or adversely affect the financial position or business of the Group except the following:

On 30th October 1997, Yikon Jewellery Industry Sdn Bhd (YJI), filed a suit against Malaysian Airline System Berhad ("Defendant") claiming a sum of USD99,172 plus interest for inter-alia, the failure by the Defendant to exercise proper and reasonable care in carrying out its duty to ensure that proper procedures and instructions by YJI are carried out before the Defendant released a shipment of gold jewellery to a customer.

The court had on 26th April 2002 ruled in favour of YJI and has entered judgment for the sum of RM247,237.83 with interest at 8% from the date of judgment and cost. The said amount has been paid to YJI.

The defendant filed a Notice of appeal against the judgment and the case has been postponed several times. The learned Judge directed the Counsel for the parties to put in written submissions by or before the date fixed for clarification on 15 January 2007.

b. On 24 November 2004, Yikon Jewellery Industry Sdn Bhd (YJI) filed a Summons against M.A.H.F. Precious Metal Refinery Sdn Bhd ("Defendant") claiming a sum of RM 302,850 being the refundable security for the trade activities in gold whereby YJI has ceased its trading activities with the Defendant since 22 May 2004. The said Summons In Chambers was heard in January 2005 and YJI obtained a judgement against the defendant. M.A.H.F has been wound up and our legal counsel had filed the General Proxy and Proof of Debt Form in July 2005 and is now awaiting the Official Assignee to notify the date of Creditors' Meeting.

26. **Proposed Dividend**

There was no dividend proposed during the current financial quarter under review.

27. **Earnings Per Share**

(a) Basic EPS

		Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year To Date
		31/10/2006	31/10/2005	31/10/2006	31/10/2005
Net profit for the period (Basic EPS numerator)	(RM'000)	(376)	21	206	327
Weighted average number of ordinary shares (Basic EPS denominator)	('000)	41,888	40,496	41,888	40,496
Basic earnings per share	(sen)	(0.90)	0.05	0.49	0.81

(b) Diluted EPS		Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year To Date
		31/10/2006	31/10/2005	31/10/2006	31/10/2005
Net profit for the Period (Diluted EPS Numerator)	(RM'000)	(376)	21	206	327
Weighted average number of ordinary shares in issue	('000)	41,888	40,496	41,888	40,596
Weighted average number of shares under ESOS	('000)	1,704	2,119	1,704	2,119
Weighted average number of shares that would have been issued at fair value	('000)	(780)	(1,392)	(780)	(1,392)
Adjusted weighted average number of ordinary shares (Diluted EPS denominator)	('000)	42,812	41,222	42,812	41,222
Diluted earnings per share	(sen)		0.05	0.48	0.79
Anti-Diluted earnings per share	(sen)	(0.88)	-	-	-

By Order of the Board

Lam Voon Kean (MIA 4793)
Dated this 27 Dec 2006