

YIKON CORPORATION BHD (527272-V)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
Condensed Consolidated Income Statements (Unaudited)

	Individual Quarter		Cummulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date (3 months)	Preceding Year To Date
	31/3/2009 RM'000	31/03/2008 RM'000	31/3/2009 RM'000	31/03/2008 RM'000
Revenue	5,197	n/a	5,197	n/a
Cost of goods sold	(3,988)		(3,988)	
Gross profit	1,209	n/a	1,209	n/a
Administrative expenses	(2,021)		(2,021)	
Other operating expenses	(2,715)		(2,715)	
Other operating income	99		99	
Operating profit	(3,428)		(3,428)	
Finance cost	(600)	n/a	(600)	n/a
Share of profit / (loss) of associates	(17)		(17)	
Profit / (Loss) before tax	(4,045)		(4,045)	
Taxation	0		0	
Profit / (Loss) after tax attributable to the Shareholders of the Company	(4,045)	n/a	(4,045)	n/a
Earnings per share (sen)				
- basic	(9.39)	n/a	(9.39)	n/a
- diluted				
- anti-dilutive	-		-	-

The Condensed Consolidated Income Statements should be read in conjunction with the Group's audited Financial Statements as at 31 December 2008. The accompanying notes form an integral part of this income statements.

YIKON CORPORATION BHD (527272-V)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
Condensed Consolidated Balance Sheet

	Unaudited As at 31/03/2009 RM'000	Audited As at 31/12/2008 RM'000
Non Current Assets		
Property, Plant & Equipment	3,648	3,711
Investment Properties	-	-
Prepaid lease payments	-	-
Investment in Associated Company	813	830
Current Assets		
Inventories	21,341	22,541
Trade receivables	7,397	8,761
Assets classified as held for sales	11,579	11,579
Other receivables, deposits and prepayments	5,642	10,440
Tax refundable	238	238
Cash & cash equivalents	4,054	2,108
Total Current Assets	50,251	55,667
Total Assets	54,712	60,208
Equity		
Share Capital	43,065	43,065
Reserves		
Share Premium	5,959	5,959
Exchange Fluctuation Reserve	2,772	1,085
Unappropriated profits / (loss)	(31,279)	(27,234)
Total equity attributable to shareholders of the Company	20,517	22,875
Non Current Liability		
Deferred Taxation	534	587
Long term Loan	6,797	4,779
Total non-current liability	7,331	5,366
Trade payables	8,512	11,806
Other creditors & accruals	5,918	7,744
Amount owing to directors	200	-
Bank Borrowings	12,234	12,417
Total current liabilities	26,864	31,967
Total equity and liabilities	54,712	60,208
Net Assets per share (RM)	0.48	0.53

The Condensed Consolidated Balance Sheet should be read in conjunction with the Group's audited Financial Statements as at 31 December 2008. The accompanying notes form an integral part of this balance sheet.

YIKON CORPORATION BHD (527272-V)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
Condensed Consolidated Statement of Changes in Equity (Unaudited)

Note	← Attributable to shareholders of the Company →				
	Non-Distributable			Distributable	
	Share Capital	Share Premium	Exchange Fluctuation Reserve	Retained Profit	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1/1/09	43,065	5,959	1,085	(27,234)	22,875
Net Profit for the year				(4,045)	(4,045)
Currency Translation Difference			1,687		1,687
Balance as at 31/3/09	43,065	5,959	2,772	(31,279)	20,517

Note	← Attributable to shareholders of the Company →				
	Non-Distributable			Distributable	
	Share Capital	Share Premium	Exchange Fluctuation Reserve	Retained Profit	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1/1/08	n/a	n/a	n/a	n/a	n/a
Net Profit for the year	n/a	n/a	n/a	n/a	n/a
Currency Translation Difference	n/a	n/a	n/a	n/a	n/a
Balance as at 31/3/08	n/a	n/a	n/a	n/a	n/a

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Group's audited Financial Statements as at 31 December 2008. The accompanying notes form an integral part of this statement.

YIKON CORPORATION BHD (527272-V)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009
Condensed Consolidated Cash Flow Statement (Unaudited)

	Note	As of 31/03/2009 RM'000	As of 31/03/2008 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) Before Tax		(4,045)	n/a
Adjustments for: -			
Depreciation		177	
Share of loss from associated company		17	
Interest expenses		594	
Interest income		(10)	
Operating profit before working capital changes		<u>(3,267)</u>	-
(Increase) / Decrease in:			
Inventories		2,832	n/a
Trade and other receivables		6,757	
Increase / (Decrease) in:			
Trade and other payables		<u>(5,845)</u>	
Cash generated from operating activities		477	-
Interest paid		(332)	n/a
Interest received		10	
Net cash generated from/(used in) operating activities		<u>155</u>	-
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		<u>(21)</u>	n/a
Net cash generated from / (used in) investing activities		(21)	-
CASH FLOW FROM FINANCING ACTIVITIES			
Bank Borrowings		<u>1,835</u>	n/a
Advances from Director		200	
Net cash generated from / (used in) financing activities		2,035	-
Exchange difference in Translation		<u>(223)</u>	
Net increase/(decrease) in cash and cash equivalents		1,946	-
Cash and cash equivalents as at 1 Jan 2009		<u>2,108</u>	n/a
Cash and cash equivalents as at 31 Mar 2009		<u><u>4,054</u></u>	-

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Group's audited Financial Statements as at 31 December 2008. The accompanying notes form an integral part of this statement.

YIKON CORPORATION BHD (527272-V)
INTERIM REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2009
Notes to the interim financial report

1. Accounting Policies

The interim financial reports of the Group have been prepared in accordance with Financial Reporting Standards (“FRS”) 134, “Interim Financial Reporting”, issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of the Bursa Malaysia Listing Requirements, and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2008.

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 December 2008.

The Group and the Company have not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective:

FRSs / Interpretations	Effective date
FRS 4, Insurance Contracts	1 January 2010
FRS 7, Financial Instruments: Disclosures	1 January 2010
FRS 8, Operating Segments	1 July 2009
FRS 139, Financial Instruments: Recognition & Measurement	1 January 2010
IC Interpretation 9, Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10, Interim Financial Reporting and Impairment	1 January 2010

The Group and the Company plan to apply the abovementioned FRSs / Interpretations from the annual period beginning 1 January 2010 except for FRS 4 which is not applicable to the Group and the Company.

The Impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemption given in the respective FRSs. The initial application of the above standards (and its consequential amendments) and interpretations is not expected to have any material impact on the financial statements of the Group and the Company.

2. Change of Financial Year End

The Company has changed its financial year end from 31 October to 31 December 2008 to coincide with the financial year end of its wholly-owned subsidiary which has major operation in China. Hence there are no comparative figures given in the current report.

3. **Audit Report of Preceding Annual Financial Statements**

The audited financial statements of the Group for the financial year ended 31 December 2008 were not subject to any audit qualifications.

4. **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.

5. **Exceptional and Extraordinary Item**

There were no material exceptional and extraordinary items affecting assets, liabilities, equity, net income or cash flow during the period under review and financial year to date.

6. **Changes in Estimates**

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

7. **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.

8. **Dividend Paid**

There was no dividend paid during the current period and financial year to date.

9. **Segmental Information**

	Malaysia	HongKong / China	Group
	RM'000	RM'000	RM'000
Revenue by	112	5,081	5,193
Location of customer			
Profit / (Loss) before tax	<u>(1,437)</u>	<u>(2,608)</u>	<u>(4,045)</u>

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

10. Property, Plant and Equipment

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

11. Material Events Subsequent to the End of the Period Reported

There was no material event subsequent to the end of the current three months period.

12. Changes in the Composition of the Group

There was no change in the composition of the Group during the current period and financial year to date.

13. Contingent Liabilities

	As at 31/3/2009 RM'000	As at 31/12/2008 RM'000
Corporate guarantee given to financial institutions in respect of banking facilities granted to a wholly owned subsidiary which have been utilized as of the closing date	25,010	29,196

14. Related Party Transactions

There was no related party transaction in the financial year under review except rental expenses paid by a subsidiary to a company in which a Director has substantial financial interest for the amount of RM 23,184.

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

There is no comparative figure available for the preceding year as the company had changed its financial year end from 31st October to 31st December.

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

The Group recorded a turnover of RM5.2 million in the current 3 months quarter, a reduction of 23.9 percent as compared to the preceding 2 months period of RM 6.8 million. This is due mainly to the reduction in local sales. Sales in China increased by 101% as compared to the preceding two months period.

The Group recorded a loss before tax of RM 4.045 million in the current quarter which is an increase of RM 3.535 million compared to the previous 2 months reporting period. This is mainly due to one of the subsidiaries has recognized loss on gold hedging of RM2.675 million.

17. Current Year Prospects

The jewellery industry in China is foreseen to offer good growth prospects. However, the current high gold price is restricting the group's growth as the available funds are tied up in financing the gold. Retail sale in China is expected to improve slightly as the Group's retail brand are gaining acceptance in the respective cities. In spite of the optimism, the current overall economic climate in China and in the world is not promising to guarantee a satisfactory performance in the short term.

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 period under review is as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding
	Quarter	Corresponding	To Date	Year To Date
	31/03/2009	Quarter 31/03/2008	31/03/2009	31/03/2008
	RM'000	RM'000	RM'000	RM'000
Tax Expense				
Malaysia -current year	-	n/a	-	n/a
Malaysia -prior year	-	n/a	-	n/a
Overseas- current year	-	n/a	-	n/a
Total	-	-	-	-
Deffered Tax Expenses				
Malaysia -current year	-	n/a	-	n/a
Malaysia -prior year	-	n/a	-	n/a
Subtotal	-	-	-	-
Total	-	-	-	-

20. Unquoted Investment and Properties

There was no disposal of unquoted investment and properties in the period under review and financial year to date.

21. Quoted Securities

There was no disposal or purchase of quoted securities for the period under review and financial year to date.

22. Status of Corporate Proposals Announced

The Company had on 6/5/2009 announced the proposal to dispose of a piece of leasehold land held under *H.S (D) 11881 No. PT 2848, Mukim 12, Daerah Barat Daya, Pulau Pinang* together with building erected thereon bearing address *Plot No. 36 Bayan Lepas Industrial Estate, Phase 4, 11900 Bayan Lepas, Penang* together with all the furniture, fixture and fittings by a wholly-owned subsidiary company, for a total cash consideration of RM10,500,000 to Northern Corridor Implementation Authority. This proposal was approved by the shareholders at the Extraordinary General Meeting held on 28 May 2009.

23. Group Borrowings and Debts Securities

The Group borrowings as at 31 March 2009 are as follows:

	As at 31/3/2009 RM'000	As at 31/12/2008 RM'000
Amount payable within 12 months	12,234	12,417
Amount payable after 12 months	6,797	4,779
Total	19,031	17,196

The bank borrowings of the Group are all in Ringgit Malaysia. The bank borrowings of the subsidiary company are secured by corporate guarantee given by the holding company while the bank borrowings of the holding company is unsecured.

24. Off Balance Sheet Financial Instruments

There was no financial instrument with off balance sheet risks up to the date of issue of this report.

25. Changes In Material Litigation

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:

a. 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 14 May 2007 and the hearing has been subsequently postponed to a few times. The leaned Judge has dismissed the Defendant’s Appeal with costs and upheld the decision of the Learned Session Court Judge of 26 April 2002 on 30 March 2009. On 29 April 2009, the Defendant filed an application for leave to appeal to the Court of Appeal in Putrajaya.

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.

c. On 22 May 2007 Yikon Jewellery Industry Sdn Bhd ("YJI"), a wholly owned subsidiary of Yikon Corporation Bhd filed a suit in the Penang High Court against The Royal Mint of Malaysia Sdn Bhd ("Royal Mint"), Paradym Resources Industries Sdn. Bhd ("Paradym"), one Azli Bin Abdul Rahman ("Azli") and one Mimi Sharkina Bte Md. Noh ("Mimi") for the sum of RM18,879,435-23 together with interest and cost being the debt owing to YJI. An *ex parte* application for an interim injunction ("Injunction 1") order to prevent Royal Mint from disposing off the *Cupro Nickel* supplied by YJI was also filed on the same day. The said application was initially fixed for hearing on 28 May 2007 and subsequently postponed a few times and the case is now fixed for mentioned on 25 June 2009.

26. Proposed Dividend

There was no dividend proposed during the current period and financial year to date.

27. Earnings Per Share

Basic EPS		Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year To Date
		31/3/2009	31/3/2008	31/3/2009	31/3/2008
Net profit for the period (Basic EPS numerator)	(RM'000)	(4,045)	n/a	(4,045)	n/a
Weighted average number of ordinary shares (Basic EPS denominator)	('000)	43,064	n/a	43,064	n/a
Basic earnings per share	(sen)	(9.39)	n/a	(9.39)	n/a

Diluted EPS

The Company does not have any convertible securities and accordingly there is no diluted EPS.

By Order of the Board
Lam Voon Kean (MIA 4793)
Dated this 28 May 2009