

YIKON CORPORATION BHD (527272-V)
INTERIM REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2011
Condensed Consolidated Income Statement (Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date (15 months)	Preceding Year-To-Date (12 months)
	31/3/2011 RM'000	RM'000	31/3/2011 RM'000	31/12/2009 RM'000
Revenue	5,570	n/a	23,484	14,548
Cost of goods sold	(4,698)		(18,510)	(12,500)
Gross profit	872		4,974	2,048
Administrative expenses	(1,244)		(6,523)	(6,791)
Other operating expenses	141	n/a	(1,256)	(2,801)
Other operating income	355		9,928	1,671
Operating profit	124	n/a	7,123	(5,873)
Finance cost	(35)		(1,160)	(1,920)
Profit/(Loss) before tax	89	n/a	5,963	(7,793)
Taxation	-		(84)	565
Profit/(Loss) for the period	89	n/a	5,879	(7,228)
Profit/(Loss) after tax attributable to:				
- Equity holders of the Company	89	n/a	5,881	(7,228)
- Minority Interest	-		(2)	-
Earnings per share (sen)				
- basic	0.21	n/a	13.66	(16.78)
- diluted				
- anti-dilutive	-	n/a	-	-

The Condensed Consolidated Income Statements should be read in conjunction with the Group's audited Financial Statements as at 31 December 2009. The accompanying notes form an integral part of this income statements.

YIKON CORPORATION BHD (527272-V)
INTERIM REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2011
Condensed Consolidated Statement of Comprehensive Income (Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date (15 months)	Preceding Year-To-Date (12 months)
	31/3/2011		31/3/2011	31/12/2009
	RM'000	RM'000	RM'000	RM'000
Profit / (Loss) for the period	89	n/a	5,879	(7,228)
Other comprehensive income:				
Currency translation differences	108	n/a	(1,218)	(536)
Allocation of losses in excess of minority interest's equity to holding company	-		(6,292)	-
Total comprehensive income for the period	197	n/a	(1,631)	(7,764)
Total comprehensive income attributable to:				
Equity holders of the Company	197	n/a	(1,629)	(7,764)
Minority interest	-		(2)	-
	197	n/a	(1,631)	(7,764)

YIKON CORPORATION BHD (527272-V)
INTERIM REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2011
Condensed Consolidated Statement of Financial Position

	Unaudited As at 31/3/2011 RM'000	Audited As at 31/12/2009 RM'000
Non-Current Assets		
Property, Plant & Equipment	1,368	1,377
Current Assets		
Inventories	17,008	22,139
Trade receivables	405	6,608
Assets classified as held for sales	308	1,503
Other receivables, deposits and prepayments	1,128	3,021
Tax refundable	-	240
Cash & cash equivalents	2,991	3,363
Total Current Assets	21,840	36,874
Total Assets	23,208	38,251
Equity		
Share Capital	43,065	43,065
Reserves		
Share Premium	5,959	5,959
Exchange Fluctuation Reserve	(668)	549
Unappropriated profits / (loss)	(37,100)	(34,462)
Total equity attributable to shareholders of the Company	11,256	15,111
Non Current Liability		
Long term Loan	-	9,981
Total non-current liability	-	9,981
Trade payables	4,105	4,787
Other creditors & accruals	5,570	4,088
Amount owing to director	1,230	-
Bank Borrowings	1,047	4,284
Total current liabilities	11,952	13,159
Total equity and liabilities	23,208	38,251
Net Assets per share (RM)	0.26	0.35

The Condensed Consolidated Balance Sheet should be read in conjunction with the Group's audited Financial Statements as at 31 December 2009. The accompanying notes form an integral part of this balance sheet.

YIKON CORPORATION BHD (527272-V)
INTERIM REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2011
Condensed Consolidated Statement of Changes in Equity (Unaudited)

Note	← Attributable to shareholders of the Company →				Total Equity
	Non-Distributable			Distributable	
	Share Capital	Share Premium	Exchange Fluctuation Reserve	Retained Profit	
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1/1/10	43,065	5,959	549	(34,462)	15,111
Effect from adoption of FRS 139				(2,224)	(2,224)
Balance at 1/1/10, restated	43,065	5,959	549	(36,686)	12,887
Total Comprehensive Income for the period			(1,217)	(414)	(1,631)
Balance as at 31/3/11	43,065	5,959	(668)	(37,100)	11,256

Note	← Attributable to shareholders of the Company →				Total Equity
	Non-Distributable			Distributable	
	Share Capital	Share Premium	Exchange Fluctuation Reserve	Retained Profit	
	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
Total Comprehensive Income for the period			(536)	(7,228)	(7,764)
Balance as at 31/12/2009	43,065	5,959	549	(34,462)	15,111

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Group's audited Financial Statements as at 31 December 2009. The accompanying notes form an integral part of this statement.

YIKON CORPORATION BHD (527272-V)
INTERIM REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2011
Condensed Consolidated Statement of Cash Flows (Unaudited)

	15 months ended 31/3/2011 RM'000	12 months ended 31/12/2009 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	5,963	(7,793)
Adjustments for: -		
Depreciation	570	864
Loss / (Gain) on disposal of investment in subsidiary	(4,817)	-
Loss / (Gain) on disposal of assets held for sales	(66)	(1,476)
Loss / (Gain) on disposal of fixed assets	160	159
Loss on disposal of an associate	-	17
Fixed Asset written off	-	431
Assets held for sales written off	24	-
Interest expenses	1,160	1,920
Waiver of debts from former subsidiary	(2,198)	-
Allowance for doubtful debt no longer required	-	(43)
Interest income	(23)	(71)
Operating profit / (loss) before working capital changes	<u>773</u>	<u>(5,992)</u>
Changes in working capital		
Inventories	(930)	401
Trade and other receivables	(1,938)	9,615
Trade and other payables	1,819	(10,675)
Cash generated from operating activities	<u>(276)</u>	<u>(6,651)</u>
Interest paid	(1,160)	(1,920)
Interest received	23	71
Tax refund/(paid)	141	(24)
Net cash generated from / (used in) operating activities	<u>(1,272)</u>	<u>(8,524)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,108)	(609)
Proceeds from disposal of property, plant and equipment	39	1,090
Proceeds from disposal of assets held for sale	358	11,928
Proceeds from disposal of an associate	-	813
Proceed from disposal of Investment in Subsidiary Company	(433)	-
Net cash generated from / (used in) investing activities	<u>(1,144)</u>	<u>13,222</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Bank Borrowings	1,013	(2,930)
Advances from / (Repayment to) Director	1,230	-
Net cash generated from / (used in) financing activities	<u>2,243</u>	<u>(2,930)</u>
Exchange difference in Translation	(199)	(513)
Net increase / (decrease) in cash and cash equivalents	<u>(372)</u>	<u>1,255</u>
Cash and cash equivalents as at 1 Jan	<u>3,363</u>	<u>2,108</u>
Cash and cash equivalents as at 31 December	<u>2,991</u>	<u>3,363</u>

YIKON CORPORATION BHD (527272-V)
INTERIM REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2011
Condensed Consolidated Statement of Cash Flows (Unaudited) (Continued)

	15 months ended 31/3/2011 RM'000	12 months ended 31/12/2009 RM'000
Cash and cash equivalents comprise:		
Short term investment in cash fund of financial institutions	-	16
Cash and bank balances	2,991	3,347
	<u>2,991</u>	<u>3,363</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Group's audited Financial Statements as at 31 December 2009. The accompanying notes form an integral part of this statement.

YIKON CORPORATION BHD (527272-V)
INTERIM REPORT FOR FIFTH QUARTER ENDED 31 MARCH 2011
Notes to the interim financial report

1. Accounting Policies

Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and Part A of Appendix 9B of the Bursa Malaysia Securities Berhad Listing Requirements.

Changes in Accounting Policies

The accounting policies and methods of the computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2009 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective 1st January 2010:-

New FRSs

FRS 7	Financial Instruments : Disclosures
FRS 8	Operating Segments
FRS 123	Borrowing Costs
FRS 139	Financial Instruments : Recognition and Measurement

Revised FRSs

FRS 101	Presentation of Financial Statements
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Amendments to FRS

FRS 7	Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
FRS 8	Operating Segments
FRS 107	Cash Flow Statements
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events After the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 117	Leases
FRS 118	Revenue
FRS 123	Borrowing Costs
FRS 132	Amendments to FRS 132 Financial Instruments: Presentation
FRS 134	Interim Financial Reporting

IC Int

IC Int 9	Reassessment of Embedded Derivatives
IC Int 10	Interim Financial Reporting and Impairment
IC Int 11	Group and Treasury Share Transactions

The initial application of the above new and revised FRSs, amendments to FRS and IC Int are not expected to have any material impact on the financial statements of the Group and the Company except for the following:

FRS 139, Financial Instruments : Recognition and Measurement

The adoption of FRS 139 has resulted in financial instruments of the Group to be categorised and measured using the accounting policies summarised below:

Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instruments.

A financial instrument is recognised initially at its fair value. In the case of a financial instrument not categorised as fair value through profit or loss, the financial instrument is initially recognised at its fair value plus transaction costs that are directly attributable to acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised as fair value through profit or loss. In the event that the embedded derivative is recognised separately, the host contract is accounted for in accordance with the policy applicable to the nature of the host contract.

In accordance with FRS 139, the recognition, derecognition, measurement and hedge accounting requirements are applied prospectively from 1 January 2010. The effects of the measurement on 1 January 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained profits as stated in the statement of changes in equity.

2. Change of Financial Year End

On 27 April 2011, the Company announced an immediate change of its financial year end from 31 December to 30 June. The rationale for the change is as follows:-

- i) To better reflect the seasonal business performance of its overseas operations and financial position of the Group; and
- ii) To allow adequate time for significant transitional events (corporate and new business proposals) to be completed so as to better reflect the financial position of the Group.

Due to the change of financial year end, there are no comparative figures given for preceding year corresponding quarter 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 2009 were not subject to any audit qualifications.

4. Seasonal or Cyclical Factors

Turnover of 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 for the current quarter 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

No dividend has been paid during the current quarter and financial year-to-date.

9. Segmental Information

	Malaysia		Hong Kong / China		Group	
	(15 mths) 2011 RM'000	(12 mths) 2009 RM'000	(15 mths) 2011 RM'000	(12 mths) 2009 RM'000	(15 mths) 2011 RM'000	(12 mths) 2009 RM'000
Revenue	1	113	23,483	14,435	23,484	14,548
Operating Profit	8,490	(2,438)	(1,367)	(3,435)	7,123	(5,873)
Finance cost					(1,160)	(1,920)
Profit / (loss) before tax					5,963	(7,793)
Tax expense					(84)	565
Net profit / (loss) for the period					5,879	(7,228)

The segmental information is presented based on the geographical location of customers. No business segment analysis is considered necessary as the Group is primarily engaged in the trading and retailing of gold, gold jewellery and ornaments.

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 Subsequent Events

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

12. Changes in the Composition of the Group

On 1 November 2010, the Company disposed of the following investment to Nurizen Holdings Sdn Bhd for a total cash consideration of Ringgit Malaysia One Thousand (RM1,000) only:

- 1,000,000 ordinary shares of RM1.00 each in Yikon Jewellery Industry Sdn. Bhd. (“YJI”) representing 100% equity interest in the issued and paid-up share capital of YJI. Upon the completion of the disposal, YJI ceased to be a subsidiary of the Company; and
- 4,900 ordinary shares of HKD1.00 each in Yikon (H.K.) Limited (“YHK”) representing 49% equity interest in the issued and paid-up share capital of YHK. Upon the completion of the disposal, YHK continues to be a 51% owned subsidiary of the Company.

On 1 December 2010, the Company acquired 2 ordinary shares of RM1.00 each in Forest Junction Sdn. Bhd (“FJSB”) representing 100% equity interest in the issued and paid-up share capital of FJSB. FJSB remain dormant as at the end of this reporting period.

13. Contingent Liabilities

	As at 31/3/2011 RM'000	As at 31/12/2009 RM'000
Corporate guarantees given by the Company to financial institutions in respect of banking facilities granted to a wholly-owned subsidiary which have been utilized as at the end of the reporting period	-	16,229
Corporate guarantees given by the Company to financial institutions in respect of banking facilities granted to a private limited company (previously a wholly-owned subsidiary disposed of during the reporting quarter) which have been utilized as at the end of the reporting period	13,942	-

14. Related Party Transactions

There was no related party transaction in the financial year under review except the following:

- a) rental expenses paid by a subsidiary to the subsidiary's Director for the amount of RM 35,562; and
- b) rental income of RM 23,520 received by a subsidiary from a company in which a substantial shareholder has a substantial interest.

The Directors of the Company are of the opinion that these transactions were entered into in the ordinary course of business and the terms have been established on a negotiated basis.

15. Review of Performance of the Company and its Principal Subsidiaries

The Group recorded a turnover of RM 5.57 million for the current quarter, and accumulated a total turnover of RM 23.48 million for the 15-months period-to-date. The sales revenue from the China operation in the current quarter is 12% higher compared with corresponding quarter for year 2010, however, the average gold price between the two corresponding quarters rose by around 25%.

The Group showed a profit before tax of RM 89 thousand in the current quarter, and accumulated profit before tax of RM 5.96 million for the 15-months period-to-date. During the 15-months period under review, the Group recognised gain arising from divestment of 49% equity interest in a wholly-owned subsidiary in Hong Kong, namely Yikon (H.K.) Limited and disposal of 100% equity interest in a wholly-owned subsidiary in Malaysia, namely Yikon Jewellery Industry Sdn Bhd.

16. Comparison of the Current Quarter Results with the Immediate Preceding Quarter

The Group recorded a turnover of RM 5.57 million in the current quarter, an increase of 17.6% as compared to the immediate preceding quarter of RM 4.73 million. This was due to increased sales revenue by Yikoni Gold (ShenZhen) Pte. Ltd. during the Chinese Spring Festival holiday period. During the reporting period, the average gold price had increased 1% compared with the immediate preceding quarter.

The Group recorded a profit before tax of RM 89 thousand in the current quarter compared to the RM 5.83 million profit before tax in the preceding quarter. For the preceding quarter, the Company disposed 100% equity interest in its wholly-owned subsidiary in Malaysia, namely Yikon Jewellery Industry Sdn Bhd and divested 49% equity interest in its wholly-owned subsidiary in Hong Kong, namely Yikon (H.K.) Limited. The disposal and divestment produced a gain of RM4.8 million.

17. Current Year Prospects

The retail market for gold and jewellery in China offers good growth prospects due to increasing affluence and consumption. Demand for pure-gold items is expected to be constrained by the current high gold prices and margins will remain low due to excessive competition.

17. Current Year Prospects (Continue)

The Group's performance will be dependent on the availability of additional working capital, expansion of retail outlets, brand promotion and sale of jewellery items with better margins. Barring any unforeseen circumstances, the Group expects another satisfactory performance.

18. Profit Forecast

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 Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year To Date
	31/3/2011 RM'000	RM'000	31/3/2011 RM'000	31/12/2009 RM'000
Tax Expense				
Malaysia -current year	-	n/a	-	-
Malaysia -prior year	-		-	-
Overseas- current year	-	n/a	84	24
Total	-	n/a	84	24
Deffered Tax Expenses				
Malaysia -current year	-	n/a	-	-
Malaysia -prior year	-		-	(589)
Subtotal	-	n/a	-	(589)
Total	-	n/a	84	(565)

20. Unquoted Investment and Properties

There was no disposal of unquoted investment and properties for the current quarter and financial year-to-date.

21. Quoted Securities

There was no disposal or purchase of quoted securities for the current quarter and financial year-to-date.

22. Status of Corporate Proposals Announced

HwangDBS Investment Bank Berhad had on 27 January 2011 announced, on behalf of the Company, a corporate exercise comprising the proposals as follows:

- (i) Proposed reduction of the Company's issued and paid-up share capital involving the cancellation of RM0.90 from the existing par value of every existing ordinary share of RM1.00 each in the Company ("Existing Shares") pursuant to Section 64 of the Companies Act, 1965 ("Act") ("Proposed Capital Reduction");
- (ii) Proposed reduction of RM4,548,350 from the share premium account of the Company pursuant to Section 60 and Section 64 of the Act ("Proposed Share Premium Reduction");
- (iii) Proposed settlement of up to RM1 million of debt owing to a director via issuance of new ordinary shares of RM0.10 each in the Company ("Yikon Shares") after the Proposed Capital Reduction ("Settlement Shares")("Proposed Capitalisation");
- (iv) Proposed fund raising exercise in the form of a proposed renounceable rights issue of up to 73,420,650 new Yikon Shares ("Rights Shares") on the basis of three (3) Rights Shares for every two (2) Yikon Shares held after the Proposed Capital Reduction, Proposed Share Premium Reduction and Proposed Capitalisation together with up to 55,065,487 free detachable warrants ("Warrants") on the basis of three (3) Warrants for every four (4) Rights Shares subscribed ("Proposed Rights Issue with Warrants");
- (v) Proposed exemption to Yap Chee Keong from the obligation to undertake a mandatory take-over offer under the Malaysian Code on Take-overs and Mergers, 2010 ("Code") for the remaining Yikon Shares not already held by him in the event his subscription for the Rights Shares results in him triggering a mandatory take-over offer ("Proposed Exemption");
- (vi) Proposed Employees' Share Option Scheme ("ESOS") of up to fifteen percent (15%) of the issued and paid-up capital of the Company (excluding treasury shares) at any point in time, for the employees of the Company and its subsidiaries ("Yikon Group" or "Group") ("Proposed ESOS"); and
- (vii) Proposed amendments to the Memorandum and Articles of Association of the Company ("M&A") to facilitate the Proposed Capital Reduction ("Proposed Amendments").

(Collectively referred to as the "Proposals")

The applications to the relevant authorities are expected to be made within three (3) months from the date of the announcement.

HwangDBS Investment Bank Berhad had on 27 April 2011 announced, on behalf of the Company, that the following applications have been submitted:

- (i) Initial listing application for the listing of the Warrants pursuant to the Proposed Rights Issue with Warrants;

22. Status of Corporate Proposals Announced (Continue)

- (ii) Additional listing application for the listing of the Settlement Shares, Rights Shares and such number of new Yikon Shares to be issued pursuant to exercise of the Warrants and options granted under the Proposed ESOS; and
- (iii) Application to Bank Negara Malaysia in relation to the Proposed Rights Issue with Warrants pursuant to the Exchange Control Regulations.

23. Group Borrowings and Debt Securities

The Group borrowing as at 31 March 2011 is as follows:

	As at 31/3/2011 RM'000	As at 31/12/2009 RM'000
Amount payable within 12 months	1,047	4,284
Amount payable after 12 months	-	9,981
Total	<u>1,047</u>	<u>14,265</u>

The bank borrowing of the Group is in Ringgit Malaysia. The bank borrowing of the holding company is unsecured and the subsidiaries of the Company do not have bank borrowing as at the end of the reporting period.

24. Off Balance Sheet Financial Instruments

The Group does not have any financial instrument with off balance sheet risks at the latest practicable date.

25. Changes In Material Litigation

As at the latest practicable date, neither the Company nor any of its subsidiary companies is engaged in any material litigation, either as plaintiff or defendant and the Directors of the Company are not aware of any proceedings pending or threatened against the Company and its subsidiary companies or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group save for any litigation arising from the default in repayment of bank borrowings as announced on 18 March 2011.

26. Proposed Dividend

No dividend has been proposed for the current quarter and financial year-to-date.

27. Earnings Per Share

Basic EPS		Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31/3/2011	Preceding Year Corresponding Quarter	Current Year To Date 31/3/2011 (15 months)	Preceding Year To Date 31/12/2009 (12 months)
Net profit for the period (Basic EPS numerator)	(RM'000)	89	n/a	5,879	7,228
Weighted average number of ordinary shares (Basic EPS denominator)	('000)	43,065	n/a	43,065	43,065
Basic earnings per share	(sen)	0.21	n/a	13.66	(17.00)

Diluted EPS

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

28. Realised and Unrealised Retained Profits

	As at 31.3.2011 RM'000	As at 31.12.2009 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries		
- Realised	(37,284)	(41,867)
- Unrealised	-	-
	<u>(37,284)</u>	<u>(41,867)</u>
Less: Consolidation Adjustment	184	7,405
Total Group retained profits / (accumulated losses) as per consolidated accounts	<u>(37,100)</u>	<u>(34,462)</u>

By Order of the Board
Lam Voon Kean (MIA 4793)
Dated this 6th May 2011