

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 30 APRIL 2016**

**(The figures have not been audited)**

	As At End Of Current Quarter 30.4.16 RM'000	As At Preceding Financial Year End 31.7.15 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	20,768	21,674
Investment property	116	119
Intangible assets	602	475
	<u>21,486</u>	<u>22,268</u>
<b>Current assets</b>		
Inventories	21,084	29,668
Receivables	6,486	9,900
Other receivables and deposits	819	1,138
Tax recoverable	313	321
Cash and bank balances	1,143	2,210
	<u>29,845</u>	<u>43,237</u>
<b>TOTAL ASSETS</b>	<u>51,331</u>	<u>65,505</u>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	62,500	62,500
Share premium	21	21
Treasury shares	-	(112)
Retained profits	(38,051)	(28,832)
<b>Total equity</b>	<u>24,470</u>	<u>33,577</u>
<b>Non-current liabilities</b>		
Deferred taxation	3,350	3,350
	<u>3,350</u>	<u>3,350</u>
<b>Current liabilities</b>		
Payables	9,985	15,857
Other payables and accruals	2,331	2,898
Borrowings	11,195	9,823
Provision for taxation	-	-
	<u>23,511</u>	<u>28,578</u>
<b>Total liabilities</b>	<u>26,861</u>	<u>31,928</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<u>51,331</u>	<u>65,505</u>
<b>Net Assets per Share (RM)</b>	0.1958	0.3122

Note :

The unaudited Condensed Consolidated Statement of Financial Position should be read in the Group's audited financial statements for the year ended 31 July 2015.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 30 APRIL 2016  
(The figures have not been audited)**

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Corresponding	To Date	Corresponding
	30.4.16	30.4.15	30.4.16	30.4.15
	RM'000	RM'000	RM'000	RM'000
Revenue	6,162	7,662	17,153	23,977
Operating expenses	(11,648)	(10,656)	(27,162)	(28,944)
Exceptional items	-	-	-	591
Other operating income	378	745	1,273	1,468
Loss from operations	(5,108)	(2,249)	(8,736)	(2,908)
Finance cost	(185)	(175)	(468)	(442)
Loss before tax	(5,293)	(2,424)	(9,204)	(3,350)
Taxation	(15)	80	(15)	53
Net loss for the period	<u>(5,308)</u>	<u>(2,344)</u>	<u>(9,219)</u>	<u>(3,297)</u>
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences for foreign operations	-	-	-	-
Total comprehensive loss for the period	<u>(5,308)</u>	<u>(2,344)</u>	<u>(9,219)</u>	<u>(3,297)</u>
Loss attributable to:				
Equity holders of the parent	(5,308)	(2,344)	(9,219)	(8,634)
Minority interest	-	-	-	5,337
Net loss for the period	<u>(5,308)</u>	<u>(2,344)</u>	<u>(9,219)</u>	<u>(3,297)</u>
Total comprehensive loss attributable to:				
Equity holders of the parent	(5,308)	(2,344)	(9,219)	(8,634)
Minority interests	-	-	-	5,337
Total comprehensive loss for the period	<u>(5,308)</u>	<u>(2,344)</u>	<u>(9,219)</u>	<u>(3,297)</u>
Basic earnings per share attributable to owners of the parent (sen)	<u>(4.26)</u>	<u>(0.39)</u>	<u>(7.39)</u>	<u>(6.92)</u>

Note :

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction audited financial statements for the year ended 31 July 2015.

**YEN GLOBAL BERHAD** (Company No. 570396-D)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 30 APRIL 2016  
(The figures have not been audited)**

	<-----Attributable to Equity Holders of the Parent----->						Non- controlling Interests	Total Equity	
	<-----Non-distributable----->			Distributable					
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Share Issue Expenses	Translation Reserve RM'000	Retained Profits RM'000			Total RM'000
Third quarter ended <u>30.4.16</u>									
Balance at 1.8.2015	62,500	21	(112)	-	-	(28,832)	33,577	-	33,577
Treasury shares sold	-	-	112	-	-	-	112	-	112
Total comprehensive loss for the period	-	-	-	-	-	(9,219)	(9,219)	-	(9,219)
Balance at 30.4.2016	<u>62,500</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,051)</u>	<u>24,470</u>	<u>-</u>	<u>24,470</u>
Third quarter ended <u>30.4.15</u>									
Balance at 1.8.2014	62,500	21	(112)	-	52	(18,851)	43,610	(4,678)	38,932
Foreign currency translation	-	-	-	-	(8)	-	(8)	7	(1)
Total comprehensive loss for the period	-	-	-	(60)	-	(8,634)	(8,694)	5,337	(3,357)
Disposal of subsidiary	-	-	-	-	(44)	-	(44)	(666)	(710)
Balance at 30.4.2015	<u>62,500</u>	<u>21</u>	<u>(112)</u>	<u>(60)</u>	<u>-</u>	<u>(27,485)</u>	<u>34,864</u>	<u>-</u>	<u>34,864</u>

Note :

The unaudited Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Group's audited financial statements for the year ended 31 July 2015. The accompanying notes are an intergral part of this statement.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THIRD QUARTER ENDED 30 APRIL 2016**

(The figures have not been audited)

	Cumulative Current Year Quarter 30.4.16 RM'000	Cumulative Preceding Year Quarter 30.4.15 RM'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(9,204)	(3,350)
Adjustments for :		
- Non-cash items	858	418
- Non-operating items	468	440
Operating profit/(loss) before working capital changes	<u>(7,878)</u>	<u>(2,492)</u>
Inventories	8,584	7,956
Receivables	3,733	5,876
Payables	<u>(6,439)</u>	<u>(7,288)</u>
Cash from operations	(2,000)	4,052
Interest paid	(468)	(442)
Income tax paid	<u>(7)</u>	<u>255</u>
Net cash from operating activities	<u>(2,475)</u>	<u>3,865</u>
<b>Cash flows from investing activities</b>		
Interest received	-	2
Disposal of subsidiary, net of cash	-	(61)
Sale of treasury shares	112	-
Purchase of property, plant and equipment	<u>(76)</u>	<u>(586)</u>
Net cash used in investing activities	36	(645)
<b>Cash flows from financing activities</b>		
(Payment)/ Drawdown of bankers acceptance	<u>783</u>	<u>(3,471)</u>
(Payment)/ Drawdown of factoring liabilities	-	(47)
Repayment of bank borrowings	<u>-</u>	<u>(83)</u>
Net cash used in financing activities	783	(3,601)
Effects of changes in exchange rates	-	(1)
Net increase in cash and cash equivalents	<u>(1,656)</u>	<u>(382)</u>
Cash and cash equivalents at beginning	<u>(1,841)</u>	<u>(1,882)</u>
Cash and cash equivalents at end	<u><u>(3,497)</u></u>	<u><u>(2,264)</u></u>
<b>Represented by:</b>		
Cash and bank balances	1,143	1,446
Bank overdrafts	<u>(4,640)</u>	<u>(3,710)</u>
	<u><u>(3,497)</u></u>	<u><u>(2,264)</u></u>

Note :

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Financial Report for the year ended 31 July 2015 and the accompanying explanatory notes to the interim financial statements.

**SELECTED EXPLANATORY NOTES**

**30 APRIL 2016**

**1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS"), MFRS 134: Interim Financial Reporting and paragraph 9.22 and Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 July 2015. These explanatory notes attached to the interim 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 Yen Global Berhad. ("Yen" or "Company") and its subsidiary companies (hereinafter referred to as the "Group") since the financial year ended 31 July 2015.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the financial year ended 31 July, 2015.

**2 Audit Report**

The auditors' report on the financial statements for the year ended 31 July 2015 was not qualified.

**3 Seasonality or Cyclicity**

As the Group is basically involved in the distribution of fashion apparels, major festivals and carnival sales have an impact on revenue and earnings.

**4 Exceptional items**

There were no exceptional items for the period under review.

**5 Estimates**

There were no changes to the estimates that have been used in the preparation of the current financial statements.

**6 Issuance or repayment of debt/equity securities**

There were no issuance or repayment of debt or equity securities for the current financial year to date.

**7 Dividends**

No dividend has been proposed for the current financial period to date.

**8 Segmental Reporting**

Business segments

The Group is principally engaged in the manufacturing, marketing, distribution and retailing of jeanswear, other fashion apparels and accessories. Business segmental information has therefore not been prepared as the Group's revenue, operating profit, assets employed, liabilities, capital expenditure, depreciation and non-cash expenses are mainly confined to one business segment.

Geographical Segments

The business of the Group is managed principally in Malaysia and its products are distributed mainly in Malaysia. Geographical segmental information is not prepared as the Group's revenue, operating profit, assets employed, liabilities, capital expenditure, depreciation and non-cash expenses are mainly confined to one geographical segment.

**9 Valuation of Property, Plant and Equipment**

There were no changes in the valuation of property, plant and equipment since the last audited financial statements for the year ended 31 July 2015.

**10 Subsequent Events**

On 9 June 2016, the Company issued 12,500,000 new ordinary shares under private placement at an issue price of 52 sen per share.

There were no other material events that have arisen between the end of the reporting quarter and the date of this announcement.

SELECTED EXPLANATORY NOTES

30 APRIL 2016

**11 Change In The Composition of The Group**

There were no change in the composition of the Group for the financial year to date, except as follows:  
On 31 December 2015, the company acquired 100 ordinary shares of RM1.00 each of VLT Wholesale Sdn. Bhd., representing 100% equity interest of the company for a total consideration of RM100,000.00

**12 Contingent Liabilities and Contingent Assets**

There were no contingent liabilities and contingent assets of a material nature as at the date of this report.

**13 Capital Commitments**

There are no outstanding capital commitments at the end of the current quarter.

**14 Review Of Performance**

In view of poorer market sentiment, the Group recorded a turnover of RM6.2 million for the quarter which is lower by 19.6% compared to the corresponding quarter last year of RM7.6 million. In line with the Group inventory policy, the Board has deemed it prudent to make an impairment for slow-moving inventories of RM3.1 million during the quarter. As a result, this quarter suffered a higher loss before tax of RM5.3 million as against a loss of RM2.4 million suffered in the corresponding quarter last year.

**15 Material change in profit before taxation as compared to preceding quarter**

The turnover of RM6.2 million achieved this quarter is 18.8% higher than the RM5.2 million achieved in the immediate preceding quarter. However, loss before tax recorded of RM5.3 million this quarter was higher than the loss of RM2.3 million recorded in the last quarter due to the impairment of slow-moving inventory of RM3.1 million made during the reported quarter.

**16 Current Year Prospects**

Higher procurement costs of our products has squeezed our profit margins. In order to maintain our competitiveness in this uncertain market, we have put off any increase in selling prices in our normal product range. The introduction of GST and the poor market sentiment affecting the apparel industry continues to have a negative impact on the Group performance. Taking into consideration all factors, the Group expects to go through another challenging year.

**17 Taxation**

	Current Year Quarter 30.4.16 RM'000	Current Year To Date 30.4.16 RM'000
Taxation comprise the following :		
Based on profit for the period :		
- Current tax	15	15
- Deferred taxation	-	-
	15	15
Reconciliation of statutory tax rate to effective tax rate :		
	Current Year Quarter 30.4.16 %	Current Year To Date 30.4.16 %
Statutory tax rate	25	25
Tax impact of losses in subsidiary companies	(25)	(25)
	-	-

SELECTED EXPLANATORY NOTES

30 APRIL 2016

**18 Treasury Shares**

On 25th February 2016, the Company sold 300,000 treasury shares on the open market. As at to date, the Company does not hold any treasury shares.

**19 Corporate Proposals**

There were no corporate proposals for the current quarter.

**20 Group Borrowings and Debt Securities**

	Secured RM'000	Unsecured RM'000	Total RM'000
Group borrowings			
<u>Short term</u>			
Bank Overdraft	4,640	-	4,640
Bankers acceptance	6,555	-	6,555
Total	<u>11,195</u>	<u>-</u>	<u>11,195</u>

**21 Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk as at the date of this report.

**22 Material Litigation**

The Group does not have any material litigation as at the date of this report.

**23 Realised and Unrealised Loss**

Total retained losses of the Group are as follows:

	30.4.16 RM'000
- Realised	(26,109)
- Unrealised	(290)
	<u>(26,399)</u>
Add : Consolidation adjustments	<u>(11,652)</u>
	<u><u>(38,051)</u></u>

**24 Profit /(Loss) Before Taxation**

This is arrived at:

	Current Year Quarter 30.4.16 RM'000	Current Year To Date 30.4.16 RM'000
After Charging :		
Depreciation and amortization	74	665
Interest expense	185	468
Fixed assets written off	-	136
Inventory impairment	-	1,018
And Crediting :		
Royalty income	584	1,065
Rental income	45	134
Gain on sale of treasury shares	36	36
Waiver of debts	-	27
Bad debts recovered	<u>-</u>	<u>11</u>

**SELECTED EXPLANATORY NOTES**

**30 APRIL 2016**

**25 Basis of calculation of loss per share**

The basic loss per share for the quarter and cumulative year to date are computed as follow:

	Individual Current Year Quarter 30.4.16	Cumulative Current Year To Date 30.4.16
Net Loss for the period (RM'000)	<u>(5,308)</u>	<u>(9,219)</u>
Weighted average number of ordinary shares in issue ('000)	<u>124,700</u>	<u>124,700</u>
Basic Loss Per Share (sen)	<u>(4.26)</u>	<u>(7.39)</u>

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the reported quarter and year.