

**YEN GLOBAL BERHAD (Company No. 570396-D)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 OCTOBER 2016****(The figures have not been audited)**

	As At End Of Current Quarter 31.10.16 RM'000	As At Preceding Financial Year End 31.7.16 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	17,631	17,941
Investment property	114	115
Intangible assets	115	244
	<u>17,860</u>	<u>18,300</u>
<b>Current assets</b>		
Inventories	14,398	15,837
Trade receivables	6,769	11,774
Other receivables and deposits	554	938
Current tax assets	70	94
Cash and bank balances	6,872	8,655
	<u>28,663</u>	<u>37,298</u>
Assets classified as held for sale	-	2,774
<b>TOTAL ASSETS</b>	<u>46,523</u>	<u>58,372</u>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	68,750	68,750
Share premium	170	239
Retained profits	(44,952)	(43,111)
<b>Total equity</b>	<u>23,968</u>	<u>25,878</u>
<b>Non-current liabilities</b>		
Deferred taxation	3,914	2,919
	<u>3,914</u>	<u>2,919</u>
<b>Current liabilities</b>		
Trade payables	6,890	14,025
Other payables and accruals	2,817	5,546
Borrowings	8,933	10,004
Provision for taxation	1	-
	<u>18,641</u>	<u>29,575</u>
<b>Total liabilities</b>	<u>22,555</u>	<u>32,494</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<u>46,523</u>	<u>58,372</u>
<b>Net Assets per Share (RM)</b>	0.1743	0.1878

Note :

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the year ended 31 July 2016.

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 OCTOBER 2016**

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.10.16 RM'000	Preceding Year Corresponding Quarter 31.10.15 RM'000	Current Year To Date 31.10.16 RM'000	Preceding Year Corresponding Quarter 31.10.15 RM'000
Revenue	6,085	5,803	6,085	5,803
Operating expenses	(8,497)	(7,606)	(8,497)	(7,606)
Other operating income	707	305	707	305
Loss from operations	(1,705)	(1,498)	(1,705)	(1,498)
Finance cost	(137)	(159)	(137)	(159)
Loss before tax	(1,842)	(1,657)	(1,842)	(1,657)
Taxation	-	-	-	-
Net loss for the period	(1,842)	(1,657)	(1,842)	(1,657)
Other comprehensive income/(loss), net of tax	-	-	-	-
Total comprehensive loss for the period	(1,842)	(1,657)	(1,842)	(1,657)
Loss attributable to:				
Equity holders of the parent	(1,842)	(1,657)	(1,842)	(1,657)
Non-controlling interests	-	-	-	-
Net loss for the period	(1,842)	(1,657)	(1,842)	(1,657)
Total comprehensive loss attributable to:				
Equity holders of the parent	(1,842)	(1,157)	(1,842)	(1,157)
Non-controlling interests	-	-	-	-
Total comprehensive loss for the period	(1,842)	(1,657)	(1,842)	(1,657)
Basic earnings per share attributable to owners of the parent (sen)	(1.34)	(1.33)	(1.34)	(1.33)

Note :

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited financial statements for the year ended 31 July 2016.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 OCTOBER 2016  
(The figures have not been audited)**

	-----Attributable to Equity Holders of the Parent-----				Non- controlling Interests	Total Equity	
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Distributable Retained Profits RM'000			Total RM'000
First Quarter ended <u>31.10.16</u>							
Balance at 1.8.2016	68,750	238	-	(43,110)	25,878	-	25,878
Treasury shares sold	-	-	-	-	-	-	-
Issue of new shares	-	(68)			(68)		(68)
Total comprehensive loss for the period	-	-	-	(1,842)	(1,842)	-	(1,842)
Balance at 31.10.2016	<u>68,750</u>	<u>170</u>	<u>-</u>	<u>(44,952)</u>	<u>23,968</u>	<u>-</u>	<u>23,968</u>
First Quarter ended <u>31.10.15</u>							
Balance at 1.8.2015	62,500	21	(112)	(28,832)	33,577	-	33,577
Total comprehensive loss for the period	-	-	-	(1,657)	(1,657)	-	(1,657)
Balance at 31.10.2015	<u>62,500</u>	<u>21</u>	<u>(112)</u>	<u>(30,489)</u>	<u>31,920</u>	<u>-</u>	<u>31,920</u>

Note :

The unaudited Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Group's financial statements for the year ended 31 July 2016. The accompanying notes are an intergral part of this statement.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 31 OCTOBER 2016**

(The figures have not been audited)

	Cumulative Current Year Quarter 31.10.16 RM'000	Cumulative Preceding Year Quarter 31.10.15 RM'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(1,842)	(1,657)
Adjustments for :		
- Non-cash items	1,465	367
- Non-operating items	129	227
Operating loss before working capital changes	<u>(248)</u>	<u>(1,063)</u>
Inventories	1,439	2,313
Receivables	5,389	3,577
Payables	<u>(9,539)</u>	<u>(3,702)</u>
Cash from operations	(2,959)	1,125
Interest paid	(129)	(159)
Income tax refunded (paid)	<u>24</u>	<u>(2)</u>
Net cash (used in)/from operating activities	(3,064)	964
<b>Cash flows from investing activities</b>		
Disposal of subsidiary, net of cash	2,450	-
Share premium	(69)	-
Purchase of property, plant and equipment	<u>(30)</u>	<u>(62)</u>
Net cash from/(used in) investing activities	2,351	(62)
<b>Cash flows from financing activities</b>		
(Payment)/ Drawdown of bankers acceptance	<u>(2,549)</u>	<u>581</u>
(Payment)/ Drawdown of factoring liabilities	(30)	-
Repayment of bank borrowings	<u>23</u>	<u>-</u>
Net cash used in financing activities	(2,556)	581
Net (decrease)/increase in cash and cash equivalents	<u>(3,269)</u>	<u>1,483</u>
Cash and cash equivalents at beginning	5,186	(1,841)
Cash and cash equivalents at end	<u><u>1,917</u></u>	<u><u>(358)</u></u>
<b>Represented by:</b>		
Cash and bank balances	6,872	1,489
Bank overdrafts	<u>(4,955)</u>	<u>(1,847)</u>
	<u><u>1,917</u></u>	<u><u>(358)</u></u>

Note :

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Financial Report for the year ended 31 July 2016 and the accompanying explanatory notes to the interim financial statements.

**SELECTED EXPLANATORY NOTES**  
**31 OCTOBER 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 2016. 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

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, 2016.

**2 Audit Report**

The auditors' report on the financial statements for the year ended 31 July 2016 was not qualified.

**3 Seasonality or Cyclicity**

Major festivals and carnival sales have an impact on revenue and earnings of the Group's Apparel Division, which is involved in the distribution of fashion apparels. The ICT Division is not subject to seasonal factors.

**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 Changes in debt or 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**

The analysis of the Group by business activities is as follows:

	<u>Apparel</u>	<u>ICT</u>	<u>Total</u>
<u>Period ended 31 October 2016</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	4,786	1,299	6,085
Profit(loss) before tax	(1,271)	(571)	(1,842)

As at 31 October 2016

Assets Employed	41,200	5,323	46,523
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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.

**SELECTED EXPLANATORY NOTES**

**31 OCTOBER 2016**

**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 2016.

**10 Subsequent Events**

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

**11 Changes In The Composition of The Group**

Changes in the composition of the Group for the financial year to date are as follows:

Atilze Digital Sdn Bhd, a wholly-owned subsidiary of Yen, has on 27 October 2016 acquired 85.71% of the issued and paid-up share capital comprising 2,400 ordinary shares of RM1.00 each in Above Drive Sdn. Bhd, for a total cash consideration of RM2,400.

**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**

The Group recorded a turnover of RM6.1 million for the quarter which is about 4.9% higher than that achieved during the corresponding quarter last year of RM5.8 million. Inspid business sentiment saw a drop in turnover for the Apparel division from RM5.8 million to RM4.8 million in the reported quarter, while the new ICT business contributed a turnover of RM1.3 million this quarter. However, this quarter suffered a loss before tax of RM1.8 million as against a loss of RM1.7 million suffered in the corresponding quarter last year.

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

The turnover of RM6.1 million achieved this quarter represents a drop of 70.8% as compared to the turnover of RM20.9 million for the immediate preceding quarter. Higher sales was achieved in the previous quarter as it captures the peak season contributed by Hari Raya promotions. The ICT business also contributed a turnover of RM10.2 million for the previous quarter. However, loss before tax recorded of RM1.8 million this quarter was lower than the loss of RM5.3 million recorded in the previous quarter due to the inventory impairment of RM2.8 million made in the previous quarter.

**16 Current Year Prospects**

Weak market sentiment continues to affect the apparel industry. Nevertheless, the Group will continue to try to improve efficiency and reduce operational costs. Our new venture into the ICT business, specifically in the business of supplying Internet of Things (IoT) connected objects and devices not only in Malaysia but also in other Asean countries, is projected to see further contribution in the near future. In view of the above, the Group hopes to see improved results for the current financial year.

**17 Taxation**

Current Year Quarter 31.10.16 RM'000	Current Year To Date 31.10.16 RM'000
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Taxation comprise the following :

Based on profit for the period :

- Current tax	-	-
- Deferred taxation	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

**SELECTED EXPLANATORY NOTES**  
**31 OCTOBER 2016**

Reconciliation of statutory tax rate to effective tax rate :

	Current Year Quarter 31.10.16 %	Current Year To Date 31.10.16 %
Statutory tax rate	25	25
Tax impact of losses in subsidiary companies	<u>(25)</u>	<u>(25)</u>
	<u><u>-</u></u>	<u><u>-</u></u>

**18 Treasury Shares**

As at to date, the Company does not hold any treasury shares.

**19 Corporate Proposals**

The Company has on 22 November 2016 announced the following proposals:

(i) proposed reduction of the issued and paid-up share capital of Yen Global via the cancellation of RM0.40 of the par value of every existing ordinary share of RM0.50 each in Yen Global to RM0.10 each in Yen Global pursuant to Section 64 of the Companies Act, 1965;

(ii) proposed renounceable rights issue of up to 275,000,000 new Yen Global Shares on the basis of two (2) Rights Shares for every one (1) existing Yen Global Share (held after the Proposed Par Value Reduction on an entitlement date to be determined later), together with up to 206,250,000 free detachable warrants on the basis of three (3) Warrants for every four (4) Rights Shares subscribed by the entitled shareholders;

(iii) proposed diversification of the business of Yen Global to include information and communications technology; and

(iv) proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Par Value Reduction.

**20 Group Borrowings and Debt Securities**

Group borrowings	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term</u>			
Bank Overdraft	4,955	-	4,955
Bankers acceptance	<u>3,978</u>	<u>-</u>	<u>3,978</u>
Total	<u><u>8,933</u></u>	<u><u>-</u></u>	<u><u>8,933</u></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.

**SELECTED EXPLANATORY NOTES**  
**31 OCTOBER 2016**

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

This is arrived at:

	Current Year Quarter 31.10.16 RM'000	Current Year To Date 31.10.16 RM'000
After Charging :		
Depreciation and amortization	411	411
Interest expense	128	128
And Crediting :		
Royalty income	328	328
Rental income	22	22
	<u>          </u>	<u>          </u>

**24 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 31.10.16	Cumulative Current Year To Date 31.10.16
Net Loss for the period (RM'000)	<u>(1,842)</u>	<u>(1,842)</u>
Weighted average number of ordinary shares in issue ('000)	<u>137,500</u>	<u>137,500</u>
Basic Loss Per Share (sen)	<u>(1.34)</u>	<u>(1.34)</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.