

YGL CONVERGENCE BERHAD (649013-W)

**CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2005**

(AFTER acquisition of Ygl Consulting Sdn Bhd and Ygl Multimedia Resources Sdn Bhd)

	<u>NOTE</u>	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
		QUARTER ENDED 30/09/2005	QUARTER ENDED 30/09/2004*	TO DATE 30/09/2005	PERIOD ENDED 30/09/2004*
		RM	RM	RM	RM
REVENUE		1,238,099	N/A	3,607,460	N/A
COST OF SALES		<u>(322,640)</u>	<u>N/A</u>	<u>(1,065,603)</u>	<u>N/A</u>
GROSS PROFIT		915,459	N/A	2,541,857	N/A
OTHER OPERATING INCOME		12,363	N/A	23,011	N/A
SELLING AND DISTRIBUTION COSTS		(17,058)	N/A	(37,298)	N/A
ADMINISTRATION EXPENSES		(69,892)	N/A	(137,257)	N/A
OTHER OPERATING EXPENSES		<u>(133,301)</u>	<u>N/A</u>	<u>(249,247)</u>	<u>N/A</u>
PROFIT FROM OPERATIONS		707,571	N/A	2,141,066	N/A
FINANCE COSTS		(9)	N/A	(1,429)	N/A
PROFIT BEFORE TAXATION		<u>707,562</u>	<u>N/A</u>	<u>2,139,637</u>	<u>N/A</u>
INCOME TAX EXPENSES	5	13,750	N/A	(116,665)	N/A
PROFIT AFTER TAXATION		<u>721,312</u>	<u>N/A</u>	<u>2,022,972</u>	<u>N/A</u>
MINORITY INTEREST		-	N/A	-	N/A
PROFIT AFTER TAXATION AND MINORITY INTEREST		<u>721,312</u>	<u>N/A</u>	<u>2,022,972</u>	<u>N/A</u>
PRE-ACQUISITION PROFIT	6	-	N/A	(982,156)	N/A
NET PROFITS ATTRIBUTABLE TO SHAREHOLDERS		<u>721,312</u>	<u>N/A</u>	<u>1,040,816</u>	<u>N/A</u>
EARNING PER SHARE (SEN) (AFTER PRE-ACQUISITION PROFIT)		1.13	N/A	3.87	N/A

Ygl Convergence Bhd completed the acquisition of Ygl Consulting Sdn Bhd ("YGLC") and Ygl Multimedia Resources Sdn Bhd ("YGLM") on 31 May 2005.

Notes:-

* Ygl Convergence Bhd was listed on the MESDAQ Market of Bursa Malaysia Securities Berhad on 13 July 2005 and as such no corresponding figures for year 2004 have been included.

(The unaudited Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 December 2004)

YGL CONVERGENCE BERHAD (649013-W)**CONSOLIDATED BALANCE SHEET****AS AT 30 SEPTEMBER 2005***(AFTER acquisition of Ygl Consulting Sdn Bhd and Ygl Multimedia Resources Sdn Bhd)*

	AS AT END OF CURRENT YEAR QUARTER ENDED 30/09/2005	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2004 *
	RM	RM
NON CURRENT ASSETS		
Fixed Assets	1,219,007	N/A
Investment in Associate Co.	10	N/A
Research and Development	540,944	N/A
Deferred Tax Assets	151,528	N/A
CURRENT ASSETS		
Inventories	196,695	N/A
Trade Receivables	1,634,497	N/A
Other Receivables	145,350	N/A
Fixed Deposit	5,000,000	N/A
Cash and bank balances	2,530,964	N/A
	<u>9,507,506</u>	<u>N/A</u>
CURRENT LIABILITIES		
Other Payables	114,157	N/A
	<u>114,157</u>	<u>N/A</u>
NET CURRENT ASSETS	9,393,349	N/A
	<u>11,304,838</u>	<u>N/A</u>
SHAREHOLDERS' EQUITY		
Share Capital	6,680,000	N/A
Share Premium	1,861,498	N/A
Retained Profits	1,035,396	N/A
Discount on Acquisition	1,727,944	N/A
	<u>11,304,838</u>	<u>N/A</u>
NTA per share (sen)	15.89	N/A

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(The unaudited Condensed Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 December 2004)

YGL CONVERGENCE BERHAD (649013-W)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2005**

(AFTER acquisition of Ygl Consulting Sdn Bhd and Ygl Multimedia Resources Sdn Bhd)

	<u>Share Capital</u> RM	<u>Share Premium</u> RM	<u>Retained Profits</u> RM	<u>Discount on Acquisitions</u> RM	<u>Total</u> RM
As at 1 January 2005	2	-	(5,420)	-	(5,418)
Issuance of shares	6,679,998	-	-	-	6,679,998
Share Premium	-	1,861,498	-	-	1,861,498
Net profit for period	-	-	1,040,816	-	1,040,816
Discount on Acquisition of YGLC and YGLM	-	-	-	1,727,944	1,727,944
Balance as at 30 September 2005	<u>6,680,000</u>	<u>1,861,498</u>	<u>1,035,396</u>	<u>1,727,944</u>	<u>11,304,838</u>

(The unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 December 2004)

YGL CONVERGENCE BERHAD (649013-W)
CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2005
(AFTER acquisition of Ygl Consulting Sdn Bhd and Ygl Multimedia Resources Sdn Bhd)

	QUARTER ENDED 30/9/2005 RM	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2004 * RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,139,637	N/A
Adjustment for:-		
Amortisation of development costs	114,703	N/A
Depreciation	<u>63,238</u>	N/A
Operating profit before working capital changes	2,317,578	N/A
Increase in inventories	(133,912)	N/A
Decrease in receivables	430,841	N/A
Decrease in payables	(753,697)	N/A
Increase in operating activities		
Tax paid	(376,991)	N/A
NET CASH (FOR)/FROM OPERATING ACTIVITIES	<u>1,483,819</u>	N/A
CASH FLOW FROM INVESTING ACTIVITIES		
Development costs incurred	(219,479)	N/A
Purchase of equipment	(203,858)	N/A
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(423,337)	N/A
CASH FLOW FROM FINANCING ACTIVITIES		
	-	
Proceeds from Public Share Issue	7,560,000	N/A
Listing Expenses	(1,407,175)	N/A
NET CHANGE IN CASH AND BANK BALANCES	<u>7,213,307</u>	N/A
CASH AND BANK BALANCES AT 01.01.2005	317,657	N/A
CASH AND BANK BALANCES AT 30.09.2005	<u><u>7,530,964</u></u>	N/A
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise of:		
Fixed Deposit	5,000,000	N/A
Cash and bank balances	2,530,964	N/A
	<u><u>7,530,964</u></u>	

* Ygl Convergence Bhd was listed on the MESDAQ Market of Bursa Malaysia Securities Berhad on 13 July 2005 and as such no corresponding figures for year 2004 have been included.

(The unaudited Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 December 2004)