

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	Note	Individual Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
		2011 RM	2010 RM	2011 RM	2010 RM
Continuing Operations					
Revenue	13	2,920,822	1,750,259	9,989,972	7,611,244
Cost of Sales		<u>(2,324,600)</u>	<u>(1,706,609)</u>	<u>(7,119,570)</u>	<u>(5,816,265)</u>
Gross Profit	14	596,222	43,650	2,870,402	1,794,979
Other Operating Income		31,463	315,918	1,430,764	986,937
Selling and Distribution Costs		-	(4,100)	(7,944)	(121,058)
Administrative Expenses		(209,968)	(228,767)	(855,614)	(659,205)
Other Operating Expenses		(256,390)	(609,328)	(1,097,217)	(2,162,746)
Profit for the period from continuing operations		<u>161,327</u>	<u>(482,627)</u>	<u>2,340,391</u>	<u>(161,093)</u>
Finance Costs		(9,362)	(232)	(27,812)	(83,745)
Gain on Financial Assets Measured at Fair Value	22	(35)	(23,367)	12,174	12,923
Share of Results of Associate Company		(69,803)	(40,683)	(151,479)	(204,579)
Profit Before Tax		<u>82,127</u>	<u>(546,909)</u>	<u>2,173,274</u>	<u>(436,494)</u>
Income Tax Expense	17	(802)	(29,467)	(3,648)	(44,305)
Profit for the period		<u>81,325</u>	<u>(576,376)</u>	<u>2,169,626</u>	<u>(480,799)</u>
Profit attributable to :					
Shareholders of the company		36,003	(588,263)	2,185,244	(483,616)
Minority interests		45,322	11,887	(15,618)	2,817
Profit for the period		<u>81,325</u>	<u>(576,376)</u>	<u>2,169,626</u>	<u>(480,799)</u>
Other comprehensive income					
Exchange differences on translation of foreign operation		7,542	(2,205)	95,820	(174,845)
Total Comprehensive Income for the period		<u>88,867</u>	<u>(578,581)</u>	<u>2,265,446</u>	<u>(655,644)</u>
Total comprehensive income attributable to:					
Shareholders of the Parent		43,545	(590,468)	2,281,064	(658,461)
Minority interests		45,322	11,887	(15,618)	2,817
		<u>88,867</u>	<u>(578,581)</u>	<u>2,265,446</u>	<u>(655,644)</u>
Earnings per share attributable to owners of the parent (in sen)					
Basic EPS	27	0.03	-0.37	1.43	-0.41

This condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

YGL CONVERGENCE BERHAD (649013-W)**NOTES TO CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	Individual Quarter 3 months ended 31 December 2011 RM	Cumulative Quarter 12 months ended 31 December 2011 RM
(a) Interest income	9,385	34,848
(b) Other income including investment income	704	2,704
(c) Gain / (Loss) on disposal of quoted / unquoted investment or properties	n/a	n/a
(d) Gain / (Loss) on foreign exchange	1,651	2,693
(e) Gain / (Loss) on derivatives	n/a	n/a
(f) Interest expense	9,362	27,812
(g) Depreciation	58,771	185,582
(h) Amortization	344,750	1,216,539
(i) Provision for and write-off of receivables	43,340	598,559
(j) Provision for and write-off of inventories	n/a	n/a
(k) Reversal of impairment of assets	-	1,314,404
(l) Exceptional item	n/a	n/a

n/a denotes not applicable

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	31 December 2011 (Unaudited) RM	31 December 2010 (Audited) RM
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		5,226,058	5,067,710
Investment Property		287,615	288,092
Goodwill and Other Intangible Assets		6,286,908	4,939,816
Investment in Associate Company		796,471	947,950
Other Investments		1	1
		<u>12,597,053</u>	<u>11,243,569</u>
Current Assets			
Trade and Other Receivables	22	4,430,447	3,060,601
Short Term Investment		98,145	95,441
Amount Owning by Associate Company		-	3,600
Current Tax Assets		18,285	200,430
Cash and Cash Equivalents	19	2,494,363	2,141,499
		<u>7,041,240</u>	<u>5,501,571</u>
TOTAL ASSETS		<u>19,638,293</u>	<u>16,745,140</u>
EQUITY AND LIABILITIES			
Equity			
Share Capital		15,997,740	15,997,740
Share Premium Reserve, non-distributable		2,353,327	2,353,327
Exchange Translation Reserve, non-distributable		(129,599)	(229,331)
(Accumulated Loss) / Retained Profit		(1,538,883)	(3,212,550)
Equity attributable to shareholders of the Company		<u>16,682,585</u>	<u>14,909,186</u>
Minority Interests		152,816	114,928
TOTAL EQUITY		<u>16,835,401</u>	<u>15,024,114</u>
Non-Current Liabilities			
Loan	20	756,967	-
Hire Purchase Liabilities	20	-	9,307
Deferred Tax Liabilities		409	21,971
		<u>757,376</u>	<u>31,278</u>
Current Liabilities			
Loan	20	15,573	-
Hire Purchase Liabilities	20	4,578	50,806
Trade and Other Payables	22	1,609,417	1,007,665
Current Tax Liabilities		-	13,586
Deferred Revenue		415,948	617,691
		<u>2,045,516</u>	<u>1,689,748</u>
TOTAL LIABILITIES		<u>2,802,892</u>	<u>1,721,026</u>
TOTAL EQUITY AND LIABILITIES		<u>19,638,293</u>	<u>16,745,140</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)		10.43	9.32

This condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

YGL CONVERGENCE BERHAD (649013-W)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

	Note	Share Capital RM	Share Premium RM	Exchange Translation Reserve RM	Retained Earnings RM	Total RM	Minority Interests RM	Total Equity RM
<i>Audited</i>								
At 1 January 2010		14,543,400	2,335,128	(54,486)	(2,728,934)	14,095,108	112,111	14,207,219
Issue of share capital		1,454,340	72,717	-	-	1,527,057	-	1,527,057
Share issue and listing expenses		-	(54,518)	-	-	(54,518)	-	(54,518)
Total comprehensive loss		-	-	(174,845)	(483,616)	(658,461)	2,817	(655,644)
At 31 December 2010		<u>15,997,740</u>	<u>2,353,327</u>	<u>(229,331)</u>	<u>(3,212,550)</u>	<u>14,909,186</u>	<u>114,928</u>	<u>15,024,114</u>
<i>Unaudited</i>								
At 1 January 2011		15,997,740	2,353,327	(229,331)	(3,212,550)	14,909,186	114,928	15,024,114
Consolidation of subsidiary		-	-	3,912	(511,577)	(507,665)	53,506	(454,159)
Total comprehensive (loss) / income		-	-	95,820	2,185,244	2,281,064	(15,618)	2,265,446
At 31 December 2011		<u>15,997,740</u>	<u>2,353,327</u>	<u>(129,599)</u>	<u>(1,538,883)</u>	<u>16,682,585</u>	<u>152,816</u>	<u>16,835,401</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

Note	12 MONTHS ENDED 31 DECEMBER (UNAUDITED) 2011 RM	YEAR ENDED 31 DECEMBER (AUDITED) 2010 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	2,173,274	(436,494)
Adjustments for:-		
Depreciation of property, plant and equipment	185,105	203,132
Depreciation of investment property	477	477
Amortisation of software development costs	1,216,539	1,080,169
Share of result of associates	151,479	204,579
Bad debts written off	40,420	-
Allowance for doubtful debts	-	-
Allowance for doubtful debts written back	(9,225)	(331,537)
Loss on financial instruments measured at fair value	(12,174)	-
Unrealised loss on foreign exchange	55,871	(54,530)
Dividend income	(2,704)	-
Interest income	(34,848)	(45,790)
Interest expense	26,887	78,052
Hire purchase term charges	925	5,693
Operating profit / (loss) before working capital changes	<u>3,792,026</u>	<u>703,751</u>
Changes in software development costs	(1,295,810)	(1,730,094)
Receipts from customers	5,566,067	-
Changes in receivables	(7,119,592)	920,165
Payments to suppliers, contractors and employees	(3,943,485)	-
Changes in payables	4,381,190	(819,737)
Changes in deferred revenue	(186,153)	(404,724)
Cash used in operations	<u>1,194,243</u>	<u>(1,330,639)</u>
Interest received	34,848	45,790
Interest paid	(26,887)	(78,052)
Tax paid	(3,648)	(44,305)
Net cash used in operating activities	<u>1,198,556</u>	<u>(1,407,206)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(342,007)	(374,935)
Purchase of investment in associate	-	(475,000)
Investment in subsidiary	(1,314,404)	-
Purchase of other investment	-	(95,440)
Purchase of other investment	-	-
Net cash (used in) / from investing activities	<u>(1,656,411)</u>	<u>(945,375)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	1,472,540
Proceeds from term loan	780,000	-
Payment of term loan instalments	(7,460)	-
Payment of hire purchase instalments	(55,534)	(67,147)
Hire purchase term charges paid	(925)	(5,693)
Consolidation of subsidiary, net cash	80,621	-
Net cash from / (used in) financing activities	<u>796,702</u>	<u>1,399,700</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	338,847	(952,881)
EFFECT OF CHANGES IN EXCHANGE RATES	14,017	(17,048)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	2,141,499	3,111,428
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>2,494,363</u>	<u>2,141,499</u>
Represented by:		
TIME DEPOSITS	1,454,690	1,296,353
CASH AND BANK BALANCES	1,039,673	845,146
	<u>2,494,363</u>	<u>2,141,499</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial report.

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134, Interim Financial Reporting and Appendix 9B, para 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2010. 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 financial year ended 31 December 2010 except for the following new Financial Reporting Standards (“FRSs”), Amendments to FRSs and Interpretations by the Group from the financial year beginning 1 January 2011 as disclosed therein (where applicable).

- (i) Adoption of New and Revised FRSs, IC Interpretations and Amendments
 - FRS 1, First Time Adoption of Financial Reporting Standards (Revised)
 - Limited Exemption from Comparative FRS 7, Disclosures for First-time Adopters (Amendments to FRS1)
 - FRS 2, Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)
 - FRS 3, Business Combinations (Revised)
 - FRS 124, Related Party Disclosures (Revised)
 - FRS 127, Consolidated and Separate Financial Statements (Revised)
 - Amendments to FRS 127, Consolidated and Separate Financial Statements
 - Amendments to FRS 138, Intangible Assets
 - Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives
 - IC Interpretation 12, Service Concession Arrangements
 - IC Interpretation 16, Hedges of a Net Investment in a Foreign Operation
 - IC Interpretation 17, Distributions of Non-cash Assets to Owners
 - IC Interpretation 4, Determining Whether an Arrangement contains a Lease
 - IC Interpretation 18, Transfers of Assets from Customers
 - IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
 - Amendments to IC Interpretation 14, Prepayments of a Minimum Funding Requirements
 - Technical Release 3, Guidance on Disclosures of Transition to IFRSs
 - Amendments to FRSs and Interpretation, Improvements to FRSs (2010)
 - Amendments to FRS 1, Limited Exemption from Comparatives FRS 7 Disclosures for First-time Adopters
 - Amendments to FRS 1, Additional Exemptions for First-time Adopters
 - Amendments to FRS 2, Group Cash-settled Share-based Payment Transactions
 - Amendments to FRS 3, Business Combinations
 - Amendments to FRS 7, Improving Disclosures about Financial Instruments
 - Amendments to FRS 101, Presentation of Financial Statements
 - Amendments to FRS 121, The Effect of Changes in Foreign Exchange Rates
 - Amendments to FRS 128, Investments in Associates
 - Amendments to FRS 131, Interests in Joint Ventures
 - Amendments to FRS 132, Classification of Rights Issues
 - Amendments to FRS 139, Financial Instruments: Recognition and Measurement
 - Amendments to IFRS 7, Disclosures – Transfer of Financial Assets
 - Amendments to IAS 12, Deferred Tax – Recovery of Underlying Assets
 - Amendment to IAS 1, Presentation of Items of Other Comprehensive Income

The application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in accounting policies and presentation of the financial results of the Group.

2. Auditors’ Report of Preceding Annual Financial Statements

The auditors’ report of the preceding financial year was not subject to any qualification.

3. Seasonality or Cyclicity of Interim Operations

The business of the Group was not affected by any significant seasonal or cyclical factors.

4. Unusual Items due to their Nature, Size or Incidence

There were no items in the financial statements in the current financial quarter under review.

5. Material Changes in Estimates

There were no changes in estimates that have had a material effect in the current financial quarter under review.

6. Issues, Repurchases and Repayment of Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the current financial quarter under review.

7. Dividend Paid

No dividends were paid in the current quarter under review.

8. Segmental Information

Segmental information was provided for the operations in Malaysia and Asia Pacific region.

	3 months ended 31 December		Cumulative 12 months ended 31 December	
	2011	2010	2011	2010
<u>Segment Revenue</u>				
Revenue from operations:				
Malaysia	1,684,471	323,924	5,949,499	2,562,672
Asia Pacific	1,236,351	1,426,335	4,040,473	5,048,572
Total revenue	2,920,822	1,750,259	9,989,972	7,611,244
Elimination of inter-segment sales	-	-	-	-
External sales	2,920,822	1,750,259	9,989,972	7,611,244
Interest revenue	9,385	3,475	34,848	45,790

**Ygl Convergence Berhad (649013-W) (“Ygl” or “Group”)
Quarterly report for the fourth quarter ended 31 December 2011**

	3 months ended 31 December		Cumulative 12 months ended 31 December	
	2011	2010	2011	2010
<u>Segment Results</u>				
Results from operations:				
Malaysia	(151,845)	(445,030)	2,159,241	(613,628)
Asia Pacific	313,172	(37,597)	181,150	452,535
	161,327	(482,627)	2,340,391	(161,093)
Finance cost	(9,362)	(232)	(27,812)	(83,745)
Share of associate’s profit / (loss)	(69,803)	(40,683)	(151,479)	(204,579)
Tax expense	(802)	(29,467)	(3,648)	(44,305)
Loss on financial instruments	(35)	(23,367)	12,174	12,923
Minority interests	(45,322)	(11,887)	15,618	(2,817)
Total results	36,003	(588,263)	2,185,244	(483,616)

9. Valuations of Property, Plant & Equipment

The valuations of property, plant and equipment have been brought forward, without amendments from the financial statements for the financial year ended 31 December 2010.

10. Events After the Statement of Financial Position date

There were no other material events subsequent to the end of the current financial quarter under review to the date of this announcement.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group in the current quarter under review.

12. Changes in Contingent Liabilities

There is no contingent liability as at 23 February 2012 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

13. Review of Performance

Group

For the quarter under review, Ygl Group recorded a revenue of RM2,920,822 which was an increase of 66.9% as compared to a revenue of RM1,750,259 achieved in the preceding year corresponding quarter ended 31 December 2010. Gross profit for the quarter under review was RM596,222 as compared to gross profit of RM43,650 for the preceding year corresponding quarter which was an increase of 1265%. The increase in gross profit was in line with the increase in revenue recorded this year as the lower revenue achieved last year had slightly covered certain fixed direct overheads.

Malaysia Segment

For the quarter under review, the Malaysia segment recorded a revenue of RM1,684,471 which was an increase of 420% as compared to a revenue of RM323,924 achieved in the preceding year corresponding quarter ended 31 December 2010. Loss from operations for the quarter under review was RM151,845 as compared to loss from operations of RM445,030 for the preceding year corresponding quarter which was a reduction of loss of 65.9%. The increase in revenue achieved during the quarter did not bring about a profit was due to provisions and accruals of expenses carried out at year end.

Asia Pacific Segment

For the quarter under review, the Asia Pacific segment recorded a revenue of RM1,236,351 which was a decrease of 13.3% as compared to a revenue of RM1,426,335 achieved in the preceding year corresponding quarter ended 31 December 2010. Profit from operations for the quarter under review was RM313,172 as compared to loss from operations of RM37,597 for the preceding year corresponding quarter which was an increase of 885.8%. The increase in profit from operations was due to alignment of product mix offered to the overseas industries.

Group

For the twelve months period ended 31 December 2011, Ygl Group recorded a revenue of RM9,989,972 representing an increase of 31.2% as compared to a revenue of RM7,611,244 achieved in the twelve months period ended 31 December 2010. Gross profit increased by 59.9% to RM2,870,402 for the twelve months period ended 31 December 2011 from RM1,794,979 as achieved in the twelve months period ended 31 December 2010. The increase in gross profit was in line with the increase in revenue recorded this year.

Malaysia Segment

For the twelve months ended 31 December 2011, the Malaysia segment recorded a revenue of RM5,949,499 representing an increase of 132.2% as compared to a revenue of RM2,562,672 achieved in the twelve months period ended 31 December 2010. Net profit from operations increased by 451.9% to RM2,159,241 for the twelve months period ended 31 December 2011 from a loss of RM613,628 as recorded in the twelve months period ended 31 December 2010. The increase in net profit from operations was consistent with the higher revenue recorded this year.

Asia Pacific Segment

For the twelve months ended 31 December 2011, the Asia Pacific segment recorded a revenue of RM4,040,473 representing a decrease of 20% as compared to a revenue of RM5,048,572 achieved in the twelve months period ended 31 December 2010. Net profit from operations decreased by 60% to RM181,150 for the twelve months period ended 31 December 2011 from a profit of RM452,535 as recorded in the twelve months period ended 31 December 2010. The decrease in net profit from operations was due to alignment of product mix made available for the overseas market.

14. Material Changes in Profit Before Tax Against Preceding Quarter

There was a profit before tax of RM82,127 for the quarter under review as compared to a profit of RM170,824 recorded in the preceding third quarter ended 31 September 2011, which was a decrease of 51.9%. This was due to year end provisions and accruals.

15. Corporate Proposals

There are no other corporate proposals announced but not completed as at the date of announcement as at 23 February 2012 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

16. Prospects for 2012

The year 2012 poses revenue opportunities as well as challenging options for Ygl Group in moving ahead with Ygl developed industry specific solutions and regional business growth areas. Ygl Group, backed by consistent product development work and experienced management team will carry on its efforts to make inroad into both the private and public / government sectors relevant to its new product mix and create revenue stream for the Group in the coming year.

17. Taxation

	Current Quarter 31 December 2011 RM	Cumulative Quarter 31 December 2011 RM
Current tax expense		
Malaysian income tax	(14,921)	--
Foreign tax	1,527	5,453
	<u>(13,394)</u>	<u>5,453</u>
Deferred tax	14,196	(1,805)
Total income tax expense	<u>(802)</u>	<u>3,648</u>

The effective tax rate is lower than the statutory tax rate as there is no taxation charged on Ygl Multimedia Resources Sdn. Bhd., as the company has been accorded Multimedia Super Corridor (“MSC”) Status and was granted Pioneer Status effective from 2 April 2004, which exempts 100% of the statutory business income from qualifying products from taxation for a period of 5 years. The MSC status has been extended for another 5 years as approved in the letter issued by Multimedia Development Corporation (MDEC) dated 24 February 2010.

18. Status on Utilisation of Proceeds

Private Placement

Pursuant to the private placement exercise undertaken by the Company on 22 March 2010, the Company had raised approximately RM1.527 million which is entirely earmarked for working capital purposes. As at to date, Ygl had fully utilised the proceeds.

19. Cash and cash equivalents

	As at 31 December 2011 RM’000
Time deposits	1,455
Cash and bank balances	1,039
	<u>2,494</u>

20. Company Borrowings and Debt Securities

On 4 April 2011, the Group has obtained from a local financial institution a term loan facility of RM780,000 over a repayment period of twenty five years and an overdraft facility of RM700,000 totalling RM1,480,000. The loan and overdraft facility is secured over the property of the Company. As at to date, the Company has paid instalments on the loan even though it has not utilized the loan and overdraft amount yet.

**Ygl Convergence Berhad (649013-W) (“Ygl” or “Group”)
Quarterly report for the fourth quarter ended 31 December 2011**

	As at 31 December 2011 RM	As at 31 December 2010 RM
<u>Payable within 12 months</u>		
Secured – Term Loan	15,573	-
Unsecured - Hire purchase liability	4,578	50,806
	20,151	50,806
 <u>Payable after 12 months</u>		
Secured – Term Loan	756,967	-
Unsecured - Hire purchase liability	-	9,307
	756,967	9,307
 Total	 777,118	 60,113

The Group does not have any foreign currency borrowings.

21. Capital Commitment

The Group’s objectives when managing capital are to maintain a strong capital base and to safeguard the Group’s ability to continue as a going concern, so as to maintain shareholder, stakeholder and market confidence and to sustain future development of the business.

As at 23 February 2012 (the latest practicable date not earlier than 7 days from the date of issue of this financial result), the Group has no material capital commitment in respect of property, plant and equipment.

22. Financial Instruments

The Company has classified its financial assets in the following categories:

	Cash RM	Loan and Receivables RM	Short Term Investment RM	Total RM
As at 31 December 2011				
Account receivables	-	2,370,991	-	2,370,991
Other receivables, prepayments and deposits paid	-	2,059,456	-	2,059,456
Short term investment	-	-	98,145	98,145
Cash and cash equivalents	2,494,363	-	-	2,494,363
	2,494,363	4,430,447	98,145	7,022,955
	2,494,363	4,430,447	98,145	7,022,955

The Company has classified its financial liabilities in the following categories:

	Payables RM	Term Loan and Hire Purchase Liabilities RM	Total RM
As at 31 December 2011			
Account payables	333,219	-	333,219
Other payables, accruals and deposits received	1,276,198	-	1,276,198
Term loan	-	772,540	772,540
Hire purchase liabilities	-	4,578	4,578
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	1,609,417	777,118	2,386,535
	=====	=====	=====

All other financial instruments are carried at amounts not materially different from their fair values as at 31 December 2011.

Financial Risk Management Objectives and Policies

The Group’s operating, investing and financing activities expose it to currency risk, interest rate risk, price risk, credit risk and liquidity risk. The chief executive office, supported by the management team, assesses and makes recommendations to the board for risk management purposes. The methods used to assess financial risks include statistical analysis and financial models. The Board has identified the following financial risk management objectives and policies:

- a) To minimize the group’s exposure to foreign currency exchange rates and future cash flow risks;
- b) To accept reasonable level of price risk and credit risk that commensurate with the expected returns of the underlying operations and activities; and
- c) To minimize liquidity risk by proper cash flow planning, management and control.

The Group’s risk management policies include:

- a) Credit controls which include evaluation, acceptance, monitoring and feedback to ensure reasonable credit worthy customers are accepted; and
- b) Money market instruments, short term deposits and bank overdrafts to manage liquidity risk.

The Group does not have a formal policy on future or exchange contracts or hedge activities as foreign currency transactions are dealt directly by the respective overseas subsidiary companies.

There have been no significant changes on the Group’s exposure to financial risks from the previous year. Neither have there been any changes to the Group’s risk management objectives and policies from the previous year.

With the implementation of FRS 139, effective on or after 1 January 2010, there are no longer “ off ” statement of financial position financial instruments as all financial instruments will be accounted for on the statement of financial position. The Company does not deal in any financial instruments in the quarter under review as such there was no financial instrument reported and no other comprehensive income reported in the financial statements in the quarter under review except those that were of loan and receivable in nature.

Trade Receivables

Analysis of financial assets past due but not impaired:

Past due	RM
Up to 90 days	1,625,963
>90 to 180 days	255,328
>180 to 360 days	269,861
>360 days	219,839
Total past due amount	<u>2,370,991</u>

The financial assets are classified as impaired asset when they are more than 360 days past due and after impairment tests reveal that their recovery is doubtful. Adequate impairment losses have been allowed for these impairment assets.

Loans and Advances

These non-derivative financial assets are measured at amortised cost using the effective interest method where the initial amounts are measured at fair value. Gains or losses arisen from the fair value measurement with the related interest income or expense are recognised in the statement of comprehensive income. The effective discount rate used was 4.7% over expected three to five years of repayment. The discounted amounts arisen from inter company advances were eliminated in the consolidation of accounts at group level. There was a gain of RM12,174 arisen from inter company advances.

23. Significant Related Party Transactions

For the fourth quarter ended 31 December 2011, there was no significant related party transaction entered by the Group.

24. Material Litigation

Neither the Company nor its subsidiary companies is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary companies and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies.

25. Profit Estimate/Forecast

Not applicable.

26. Dividend

The Board did not declare any dividend payments for the current financial quarter under review.

27. Earnings Per Share

The basic earnings per share of the Group is calculated by dividing the net profit for the period by the weighted average number of ordinary shares.

	3 months ended 31 December		Cumulative 12 months ended 31 December	
	2011	2010	2011	2010
Profits/(Loss) for the period attributable to shareholders (RM)	43,545	(590,468)	2,281,064	(658,461)
Weighted average number of ordinary shares in issue	159,977,400	159,977,400	159,977,400	159,977,400
Basic earnings/(loss) per share (sen)	0.03	(0.37)	1.43	(0.41)

28. Realised and Unrealised Accumulated Losses

The disclosure as required by Bursa Malaysia Securities Berhad on the realized and unrealised unappropriated profits or accumulated losses is as follows:

	Current Quarter 31 December 2011 RM	Cumulative Quarter 31 December 2011 RM
Total accumulated profits / (losses) of Ygl and its subsidiaries:		
Realised	122,899	(804,483)
Unrealised	(14,017)	(55,871)
	<u>108,882</u>	<u>(860,354)</u>
Total share of accumulated losses from associated company:		
Realised	(69,803)	(678,529)
Unrealised	-	-
	<u>39,079</u>	<u>(1,538,883)</u>
Less: Consolidation adjustments	-	-
Total group accumulated profits / (losses) as per consolidated accounts	<u><u>39,079</u></u>	<u><u>(1,538,883)</u></u>