

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

	Note	Individual Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
		2012 RM	2011 RM	2012 RM	2011 RM
Continuing Operations					
Revenue	13	1,885,710	2,636,153	1,885,710	2,636,153
Cost of Sales		<u>(1,779,130)</u>	<u>(1,793,644)</u>	<u>(1,779,130)</u>	<u>(1,793,644)</u>
Gross Profit		106,580	842,509	106,580	842,509
Other Operating Income		22,855	1,338,508	22,855	1,338,508
Selling and Distribution Costs		-	-	-	-
Administrative Expenses		(160,264)	(267,807)	(160,264)	(267,807)
Other Operating Expenses		(366,575)	(275,790)	(366,575)	(275,790)
(Loss) / Profit for the period from continuing operations		<u>(397,404)</u>	<u>1,637,420</u>	<u>(397,404)</u>	<u>1,637,420</u>
Finance Costs		(9,064)	(154)	(9,064)	(154)
Gain on Financial Assets Measured at Fair Value	22	-	(11,539)	-	(11,539)
Share of Results of Associate Company		(36,073)	(34,195)	(36,073)	(34,195)
(Loss) / Profit Before Tax	14	<u>(442,541)</u>	<u>1,591,532</u>	<u>(442,541)</u>	<u>1,591,532</u>
Income Tax Expense	17	6,682	(7,088)	6,682	(7,088)
(Loss) / Profit for the period		<u>(435,859)</u>	<u>1,584,444</u>	<u>(435,859)</u>	<u>1,584,444</u>
Profit attributable to :					
Shareholders of the company		(458,768)	1,612,712	(458,768)	1,612,712
Minority interests		22,909	(28,268)	22,909	(28,268)
(Loss) / Profit for the period		<u>(435,859)</u>	<u>1,584,444</u>	<u>(435,859)</u>	<u>1,584,444</u>
Other comprehensive income					
Exchange differences on translation of foreign operation		(68,164)	(56,949)	(68,164)	(56,949)
Total Comprehensive Income for the period		<u>(504,023)</u>	<u>1,527,495</u>	<u>(504,023)</u>	<u>1,527,495</u>
Total comprehensive income attributable to:					
Shareholders of the Parent		(526,932)	1,555,763	(526,932)	1,555,763
Minority interests		22,909	(28,268)	22,909	(28,268)
		<u>(504,023)</u>	<u>1,527,495</u>	<u>(504,023)</u>	<u>1,527,495</u>
Earnings per share attributable to owners of the parent (in sen)					
Basic EPS	27	-0.28	0.99	-0.28	0.99

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

	Individual Quarter 3 months ended 31 March 2012 <u>RM</u>	Cumulative Quarter 3 months ended 31 March 2011 <u>RM</u>
(a) Interest income	10,742	7,266
(b) Other income including investment income	713	648
(c) Gain / (Loss) on disposal of quoted / unquoted investment or properties	n/a	n/a
(d) Gain / (Loss) on foreign exchange	(927)	1,699
(e) Gain / (Loss) on derivatives	n/a	n/a
(f) Interest expense	9,064	154
(g) Depreciation	21,744	43,832
(h) Amortization	294,600	452,461
(i) Provision for and write-off of receivables	546,711	526,655
(j) Provision for and write-off of inventories	n/a	n/a
(k) Exceptional item	n/a	n/a

n/a denotes not applicable

YGL CONVERGENCE BERHAD (649013-W)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

	Note	31 March 2012 (Unaudited) RM	31 December 2011 (Audited) RM
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		5,261,515	5,226,058
Investment Property		287,496	287,615
Goodwill and Other Intangible Assets		6,228,180	6,286,908
Investment in Associate Company		760,398	796,471
Other Investments		1	1
		<u>12,537,590</u>	<u>12,597,053</u>
Current Assets			
Trade and Other Receivables	22	5,162,933	4,430,447
Short Term Investment		98,858	98,145
Amount Owing by Associate Company		5,400	-
Current Tax Assets		23,981	18,285
Cash and Cash Equivalents	19	1,790,394	2,494,363
		<u>7,081,566</u>	<u>7,041,240</u>
TOTAL ASSETS		<u>19,619,156</u>	<u>19,638,293</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		(197,763)	(129,599)
(Accumulated Loss) / Retained Profit		(1,997,651)	(1,538,883)
Equity attributable to shareholders of the Company		<u>16,155,653</u>	<u>16,682,585</u>
Minority Interests		175,725	152,816
TOTAL EQUITY		<u>16,331,378</u>	<u>16,835,401</u>
Non-Current Liabilities			
Loan	20	752,735	756,967
Hire Purchase Liabilities	20	-	-
Deferred Tax Liabilities		409	409
		<u>753,144</u>	<u>757,376</u>
Current Liabilities			
Loan	20	15,916	15,573
Hire Purchase Liabilities	20	-	4,578
Trade and Other Payables	22	1,794,962	1,609,417
Current Tax Liabilities		-	-
Deferred Revenue		723,756	415,948
		<u>2,534,634</u>	<u>2,045,516</u>
TOTAL LIABILITIES		<u>3,287,778</u>	<u>2,802,892</u>
TOTAL EQUITY AND LIABILITIES		<u>19,619,156</u>	<u>19,638,293</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)		10.10	10.43

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

YGL CONVERGENCE BERHAD (649013-W)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

	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 2011		15,997,740	2,353,327	(229,331)	(3,212,550)	14,909,186	114,928	15,024,114
Reconsolidation of subsidiary		-	-	3,912	(511,577)	(507,665)	53,506	(454,159)
Total comprehensive 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>
<i>Unaudited</i>								
At 1 January 2012		15,997,740	2,353,327	(129,599)	(1,538,883)	16,682,585	152,816	16,835,401
Other comprehensive income		-	-	(68,164)	-	(68,164)	-	(68,164)
Net loss for the year		-	-	-	(458,768)	(458,768)	22,909	(435,859)
At 31 March 2012		<u>15,997,740</u>	<u>2,353,327</u>	<u>(197,763)</u>	<u>(1,997,651)</u>	<u>16,155,653</u>	<u>175,725</u>	<u>16,331,378</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 2011 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

Note	3 MONTHS ENDED 31 MARCH (UNAUDITED) 2012 RM	YEAR ENDED 31 DECEMBER (AUDITED) 2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(442,541)	2,173,274
Adjustments for:-		
Depreciation of property, plant and equipment	21,625	185,105
Depreciation of investment property	119	477
Amortisation of software development costs	294,600	1,216,539
Share of result of associates	36,073	151,479
Bad debts written off	-	40,420
Allowance for doubtful debts	-	-
Allowance for doubtful debts written back	-	(9,225)
Restatement of	-	(1,314,404)
Loss on financial instruments measured at fair value	-	-
Unrealised loss on foreign exchange	(21,871)	55,871
Dividend income	(713)	(2,704)
Interest income	(10,742)	(34,848)
Interest expense	8,987	26,887
Hire purchase term charges	77	925
Operating (loss) / profit before working capital changes	<u>(114,386)</u>	<u>2,489,796</u>
Changes in software development costs	(273,180)	(1,295,810)
Receipts from customers	2,360,132	5,566,067
Changes in receivables	(3,173,517)	(7,122,296)
Payments to suppliers, contractors and employees	(2,486,550)	(3,943,485)
Changes in payables	2,744,821	4,369,016
Changes in deferred revenue	307,808	(186,153)
Cash used in operations	<u>(634,872)</u>	<u>(122,865)</u>
Interest received	10,742	34,848
Dividend received	713	2,704
Interest paid	(8,987)	(26,887)
Tax paid	6,682	(3,648)
Net cash used in operating activities	<u>(625,722)</u>	<u>(115,848)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(59,728)	(342,007)
Purchase of investment in associate	-	-
Investment in subsidiary	-	-
Purchase of other investment	-	-
Purchase of other investment	-	-
Net cash used in investing activities	<u>(59,728)</u>	<u>(342,007)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	-
Proceeds from term loan	-	780,000
Payment of term loan instalments	(3,889)	(7,460)
Payment of hire purchase instalments	(4,578)	(55,534)
Hire purchase term charges paid	(77)	(925)
Consolidation of subsidiary, net cash	-	80,621
Net cash (used in) / from financing activities	<u>(8,544)</u>	<u>796,702</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(693,994)	338,847
EFFECT OF CHANGES IN EXCHANGE RATES	(9,975)	14,017
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	2,494,363	2,141,499
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>1,790,394</u>	<u>2,494,363</u>
Represented by:		
TIME DEPOSITS	956,803	1,454,690
CASH AND BANK BALANCES	833,591	1,039,673
	<u>1,790,394</u>	<u>2,494,363</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

1. First-Time Adoption of Malaysian Financial Reporting Standards (“MFRSs”)

The interim financial report is unaudited and has been prepared in compliance with MFRS 134, Interim Financial Reporting and Appendix 9B, para 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRSs”).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2011. 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 2011.

This interim financial report is the Group’s first MFRS condensed consolidated interim financial report for part of the period covered by the Group’s first MFRS annual financial report for the year ending 31 December 2012 and MFRS 1 First - Time Adoption of Malaysian Financial Reporting Standards (“MFRS 1”) has been applied. In presenting its opening MFRS Statement of Financial Position as at 1 January 2011, which is also the transition date, the Group is required to restate the comparative financial statements to amounts reflecting the application of the MFRS framework. The adjustments on transition will be made directly in opening retained earnings. The transition to MFRS framework does not have any financial impact to this interim report.

The following new MFRSs, Amendments to MFRS and IC Interpretations are applicable from the financial year beginning on 1 January 2012:

MFRS 1,	First Time Adoption of Malaysian Financial Reporting Standards
MFRS 2,	Share-based Payment Transactions
MFRS 3,	Business Combinations
MFRS 5,	Non-current Assets Held for Sale and Discontinued Operations
MFRS 7,	Financial Instruments: Disclosures
MFRS 8,	Operating Segments
MFRS 101,	Presentation of Financial Statements
MFRS 102,	Inventories
MFRS 107,	Statement of Cash Flows
MFRS 108,	Accounting Policies, Changes in accounting Estimates and Errors
MFRS 110,	Events After the Reporting Period
MFRS 112,	Income Taxes
MFRS 116,	Property, Plant and Equipment
MFRS 117,	Leases
MFRS 118,	Revenue
MFRS 119,	Employee Benefits
MFRS 121,	The Effect of Changes in Foreign Exchange Rates
MFRS 123,	Borrowing Costs
MFRS 124,	Related Party Disclosures
MFRS 132,	Financial Instruments: Presentation
MFRS 133,	Earnings Per Share
MFRS 134,	Interim Financial Reporting
MFRS 136,	Impairment of Assets
MFRS 137,	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138,	Intangible Assets
MFRS 139,	Financial Instruments: Recognition and Measurement
MFRS 140,	Investment Property

Amendments to MFRS 1,	Severe Hyper inflation and removal of fixed dates for First-time Adopters
Amendments to MFRS 7,	Disclosures – Transfer of Financial Assets
Amendments to MFRS 112,	Deferred Tax: Recovery of Underlying Assets
IC Interpretation 4,	Determining whether an Arrangement contains a Lease
IC Interpretation 10,	Interim Financial Reporting and Impairment
IC Interpretation 17,	Distribution of Non-cash Assets to Owners
IC Interpretation 18,	Transfer of Assets from Customers
IC Interpretation 19,	Extinguishing Financial Liabilities with Equity Instruments

Amendments to MFRS which has been issued by MASB and effective beginning on 1 July 2012:

Amendments to MFRS 101, Presentation of Items of Other Comprehensive Income

The application of the above MFRSs, Amendments to MFRSs 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.

**Ygl Convergence Berhad (649013-W) (“Ygl” or “Group”)
Quarterly report for the first quarter ended 31 March 2012**

8. Segmental Information

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

	3 months ended 31 March		Cumulative 3 months ended 31 March	
	2012	2011	2012	2011
<u>Segment Revenue</u>				
Revenue from operations:				
Malaysia	1,016,919	1,463,116	1,016,919	1,463,116
Asia Pacific	868,791	1,173,037	868,791	1,173,037
Total revenue	1,885,710	2,636,153	1,885,710	2,636,153
Elimination of inter-segment sales	-	-	-	-
External sales	1,885,710	2,636,153	1,885,710	2,636,153
Interest revenue	10,742	7,266	10,742	7,266

	3 months ended 31 March		Cumulative 3 months ended 31 March	
	2012	2011	2012	2011
<u>Segment Results</u>				
Results from operations:				
Malaysia	(546,510)	1,728,191	(546,510)	1,728,191
Asia Pacific	149,106	(90,771)	149,106	(90,771)
Finance cost	(397,404)	1,637,420	(397,404)	1,637,420
Share of associate's profit / (loss)	(9,064)	(154)	(9,064)	(154)
Tax expense	(36,073)	(34,195)	(36,073)	(34,195)
Tax expense	6,682	(7,088)	6,682	(7,088)
Loss on financial instruments	-	(11,539)	-	(11,539)
Minority interests	(22,909)	28,268	(22,909)	28,268
Total results	(458,768)	1,612,712	(458,768)	1,612,712

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 2011.

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 25 May 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 RM1,885,710 which was a decrease of 28.5% as compared to a revenue of RM2,636,153 achieved in the preceding year corresponding quarter ended 31 March 2011. Gross profit for the quarter under review was RM106,580 as compared to gross profit of RM842,509 for the preceding year corresponding quarter which was a decrease of 87.3%. The decrease in gross profit was due to lower revenue achieved during the quarter whilst the direct cost structure remained the same.

Malaysia Segment

For the quarter under review, the Malaysia segment recorded a revenue of RM1,016,919 which was a decrease of 30.5% as compared to a revenue of RM1,463,116 achieved in the preceding year corresponding quarter ended 31 March 2011. Loss from operations for the quarter under review was RM546,510 as compared to profit from operations of RM1,728,191 (of which RM1,314,403 was the amount restated from reconsolidation of a subsidiary) for the preceding year corresponding quarter which was a decrease of 232%. The loss from operations in this quarter was due to lower revenue achieved with no significant changes to the direct cost structure..

Asia Pacific Segment

For the quarter under review, the Asia Pacific segment recorded a revenue of RM868,791 which was a decrease of 25.9% as compared to a revenue of RM1,173,037 achieved in the preceding year corresponding quarter ended 31 March 2011. Profit from operations for the quarter under review was RM149,106 as compared to loss from operations of RM90,771 for the preceding year corresponding quarter which was an increase of 264%. The increase in profit from operations was due to the continuing effort in streamlining of projects overheads by the overseas segment.

14. Material Changes in Profit Before Tax Against Preceding Quarter

There was a loss before tax of RM442,541 for the quarter under review as compared to a profit of RM82,127 recorded in the preceding fourth quarter ended 31 December 2011, which was a decrease of 639%. This was due to lower revenue achieved during the quarter with no significant changes to the direct cost structure.

15. Corporate Proposals

There are no other corporate proposals announced but not completed as at the date of announcement as at 25 May 2012 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

16. Prospects for 2012

The global economy in 2012 has not been conducive in promoting corporate spending and investment in IT infrastructure. However Ygl throughout the years has positioned itself as a niche enterprise solution developer in the Asia Pacific region. Ygl is optimistic that with the new range of proprietary solutions which have been developed, Ygl will see a good adoption rate from the regional market.

17. Taxation

	Current Quarter 31 March 2012 RM	Cumulative Quarter 31 March 2012 RM
Current tax expense		
Malaysian income tax	(7,002)	(7,002)
Foreign tax	320	320
	<u>(6,682)</u>	<u>(6,682)</u>
Deferred tax	-	-
Total income tax expense	<u>(6,682)</u>	<u>(6,682)</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

Not applicable.

19. Cash and cash equivalents

	As at 31 March 2012 RM'000
Time deposits	957
Cash and bank balances	833
	<u>1,790</u>

20. Company Borrowings and Debt Securities

The Group’s borrowings are as follows:

	As at 31 March 2012 RM	As at 31 March 2011 RM
<u>Payable within 12 months</u>		
Secured - Term Loan	15,916	-
Secured - Hire purchase liability	-	50,857
	15,916	50,857
 <u>Payable after 12 months</u>		
Secured - Term Loan	752,735	-
Secured - Hire purchase liability	-	-
	752,735	-
 Total	768,651	50,857

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 25 May 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:

	At Fair Value through profit or loss RM	Loans and Receivables RM	Total RM
As at 31 March 2012			
Account receivables	-	2,483,923	2,483,923
Other receivables, prepayments and deposits paid	-	2,679,010	2,679,010
Short term investment	98,858	-	98,858
Cash and cash equivalents	-	1,790,394	1,790,394
	98,858	6,953,327	7,052,185
	98,858	6,953,327	7,052,185

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

	Financial Liabilities at amortised cost RM
As at 31 March 2012	
Account payables	746,116
Other payables, accruals and deposits received	1,048,846
Term loan	768,651
Hire purchase liabilities	-

	2,563,613
	=====

All other financial instruments are carried at amounts not materially different from their fair values as at 31 March 2012.

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.

The Company does not deal in any derivative financial instruments in the quarter under review as such there was no derivative financial instrument reported and no other comprehensive income reported in the financial statements in the quarter under review except those that were of loans and receivables in nature.

Trade Receivables

Analysis of financial assets past due but not impaired:

Past due	RM
Up to 90 days	1,098,884
>90 to 180 days	981,785
>180 to 360 days	155,623
>360 days	247,631
Total past due amount	<u>2,483,923</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 and liabilities 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 five years of repayment. The discounted amounts arisen from inter company advances were eliminated in the consolidation of accounts at group level.

23. Significant Related Party Transactions

For the first quarter ended 31 March 2012, 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 March		Cumulative 3 months ended 31 March	
	2012	2011	2012	2011
Profits/(Loss) for the period attributable to shareholders (RM)	(442,541)	1,591,532	(442,541)	1,591,532
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)	(0.28)	0.99	(0.28)	0.99

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:

	As at 31 March 2012 RM	As at 31 December 2011 RM
Total accumulated profits / (losses) of Ygl and its subsidiaries:		
Realised	(1,261,178)	(916,225)
Unrealised	(21,871)	55,871
	(1,283,049)	(860,354)
Total share of accumulated losses from associated company:		
Realised	(714,602)	(678,529)
Unrealised	-	-
	(1,997,651)	(1,538,883)
Less: Consolidation adjustments	-	-
Total group accumulated profits / (losses) as per consolidated accounts	(1,997,651)	(1,538,883)