

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013**

	Note	Individual Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
		2013 RM	2012 RM	2013 RM	2012 RM
Continuing Operations					
Revenue	13	2,097,544	1,968,508	7,558,719	6,494,425
Cost of Sales		<u>(1,734,653)</u>	<u>(1,708,109)</u>	<u>(7,897,986)</u>	<u>(6,140,800)</u>
Gross (Loss) / Profit		362,891	260,399	(339,267)	353,625
Other Operating Income		28,074	40,638	148,439	128,055
Selling and Distribution Costs		-	(2,404)	(8,000)	(10,404)
Administrative Expenses		(194,589)	(230,836)	(735,055)	(762,142)
Other Operating Expenses		(408,286)	(672,304)	(1,486,715)	(1,983,735)
(Loss) / Profit for the period from continuing operations		<u>(211,910)</u>	<u>(604,507)</u>	<u>(2,420,598)</u>	<u>(2,274,601)</u>
Finance Costs		(15,764)	(10,564)	(52,783)	(38,884)
Gain on Financial Assets Measured at Fair Value	22	-	-	-	-
Share of Results of Associate Company		(50,577)	(17,783)	(180,011)	(117,886)
(Loss) / Profit Before Tax	14	<u>(278,251)</u>	<u>(632,854)</u>	<u>(2,653,392)</u>	<u>(2,431,371)</u>
Income Tax Expense	17	(2,038)	(14,284)	(3,944)	(23,545)
(Loss) / Profit for the period		<u>(280,289)</u>	<u>(647,138)</u>	<u>(2,657,336)</u>	<u>(2,454,916)</u>
Profit attributable to :					
Shareholders of the company		(270,091)	(589,114)	(2,558,069)	(2,480,650)
Minority interests		(10,198)	(58,024)	(99,267)	25,734
(Loss) / Profit for the period		<u>(280,289)</u>	<u>(647,138)</u>	<u>(2,657,336)</u>	<u>(2,454,916)</u>
Other comprehensive income					
Exchange differences on translation of foreign operation		(29,011)	20,020	113,374	(31,176)
Total Comprehensive (Loss) / Income for the period		<u>(309,300)</u>	<u>(627,118)</u>	<u>(2,543,962)</u>	<u>(2,486,092)</u>
Total comprehensive (loss) / income attributable to:					
Shareholders of the Parent		(299,102)	(569,094)	(2,444,695)	(2,511,826)
Minority interests		(10,198)	(58,024)	(99,267)	25,734
		<u>(309,300)</u>	<u>(627,118)</u>	<u>(2,543,962)</u>	<u>(2,486,092)</u>
Earnings per share attributable to owners of the parent (in sen)					
Basic EPS	27	-0.16	-0.40	-1.51	-1.52

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**NOTES TO CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013**

	Individual Quarter 3 months ended 31 December 2013	Cumulative 12 months ended 31 December 2013
	RM	RM
(a) Interest income	827	4,324
(b) Other income including investment income	-	1,833
(c) Gain / (Loss) on disposal of quoted / unquoted investment or properties	n/a	n/a
(d) Gain / (Loss) on foreign exchange	(2,851)	(4,277)
(e) Gain / (Loss) on derivatives	n/a	n/a
(f) Interest expense	15,764	52,783
(g) Depreciation	31,974	104,945
(h) Amortization	432,933	1,541,410
(i) Provision for and write-off of receivables	14,837	735,872
(j) Provision for and write-off of inventories	n/a	n/a
(k) Exceptional item	n/a	n/a

n/a denotes not applicable

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	Note	31 December 2013 (Unaudited) RM	31 December 2012 (Audited) RM
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		5,588,360	5,392,679
Investment Property		286,661	287,138
Goodwill and Other Intangible Assets		6,534,020	6,689,710
Investment in Associate Company		499,076	679,087
		<u>12,908,117</u>	<u>13,048,614</u>
Current Assets			
Trade and Other Receivables	22	4,081,066	4,059,447
Short Term Investment		-	100,932
Amount Owing by Associate Company		37,800	21,600
Current Tax Assets		19,992	9,733
Cash and Cash Equivalents	19	1,015,856	648,791
		<u>5,154,714</u>	<u>4,840,503</u>
TOTAL ASSETS		<u>18,062,831</u>	<u>17,889,117</u>
EQUITY AND LIABILITIES			
Equity			
Share Capital		17,597,514	15,997,740
Share Premium Reserve, non-distributable		2,308,629	2,353,327
Exchange Translation Reserve, non-distributable		(47,401)	(160,775)
(Accumulated Loss) / Retained Profit		(6,577,101)	(4,019,032)
Equity attributable to shareholders of the Company		<u>13,281,641</u>	<u>14,171,260</u>
Minority Interests		79,283	178,550
TOTAL EQUITY		<u>13,360,924</u>	<u>14,349,810</u>
Non-Current Liabilities			
Term Loan	20	723,170	740,449
Hire Purchase Liabilities	20	6,491	32,495
Deferred Tax Liabilities		32,219	12,997
		<u>761,880</u>	<u>785,941</u>
Current Liabilities			
Term Loan	20	17,279	16,487
Hire Purchase Liabilities	20	26,003	26,003
Bank Overdraft	20	627,963	443,609
Trade and Other Payables	22	2,722,437	1,899,046
Deferred Revenue		546,345	368,221
		<u>3,940,027</u>	<u>2,753,366</u>
TOTAL LIABILITIES		<u>4,701,907</u>	<u>3,539,307</u>
TOTAL EQUITY AND LIABILITIES		<u>18,062,831</u>	<u>17,889,117</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)		7.55	8.86

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 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 FOURTH QUARTER ENDED 31 DECEMBER 2013

	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 2012		15,997,740	2,353,327	(129,599)	(1,538,883)	16,682,585	152,816	16,835,401
Other comprehensive loss		-	-	(31,176)	-	(31,176)	-	(31,176)
Net loss for the year		-	-	-	(2,480,149)	(2,480,149)	25,734	(2,454,415)
At 31 December 2012		<u>15,997,740</u>	<u>2,353,327</u>	<u>(160,775)</u>	<u>(4,019,032)</u>	<u>14,171,260</u>	<u>178,550</u>	<u>14,349,810</u>
<i>Unaudited</i>								
At 1 January 2013		15,997,740	2,353,327	(160,775)	(4,019,032)	14,171,260	178,550	14,349,810
Issue of share capital - private placement		1,599,774	(44,698)	-	-	1,555,076	-	1,555,076
Other comprehensive loss		-	-	113,374	-	113,374	-	113,374
Net loss for the year		-	-	-	(2,558,069)	(2,558,069)	(99,267)	(2,657,336)
At 31 December 2013		<u>17,597,514</u>	<u>2,308,629</u>	<u>(47,401)</u>	<u>(6,577,101)</u>	<u>13,281,641</u>	<u>79,283</u>	<u>13,360,924</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 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

Note	12 MONTHS	YEAR ENDED
	ENDED 31 DECEMBER (UNAUDITED) 2013 RM	31 DECEMBER (AUDITED) 2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(2,653,392)	(2,430,870)
Adjustments for:-		
Depreciation of property, plant and equipment	104,468	120,684
Depreciation of investment property	477	477
Amortisation of software development costs	1,540,502	1,373,564
Amortisation of membership	908	2,325
Share of result of associates	180,011	117,384
Impairment / Bad debts written off	2,000	22,068
Allowance for doubtful debts	-	-
Allowance for doubtful debts written back	(11,703)	(10,437)
Amount owing to written off	(1,693)	-
Unrealised (gain) / loss on foreign exchange	(47,463)	(61,744)
Gain on disposal of shares in subsidiary	(4,499)	-
Dividend income	(1,833)	(2,787)
Interest income	(4,324)	(25,097)
Interest expense	50,154	36,836
Hire purchase term charges	2,629	2,049
Operating (loss) / profit before working capital changes	(843,758)	(855,548)
Changes in software development costs	(1,295,559)	(1,248,995)
Receipts from customers	8,069,800	6,623,461
Changes in receivables	(7,937,285)	(6,885,402)
Payments to suppliers, contractors and employees	(5,021,101)	(5,047,996)
Changes in payables	5,749,968	5,409,422
Changes in deferred revenue	178,124	(47,727)
Cash used in operations	(1,099,811)	(2,052,785)
Interest received	4,324	25,097
Dividend received	1,833	2,787
Interest paid	(50,154)	(36,836)
Tax paid	(3,944)	(23,545)
Net cash used in operating activities	(1,147,752)	(2,085,282)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(297,693)	(289,668)
Purchase of investment in associate	-	-
Investment in subsidiary	(2)	-
Proceeds from disposal of shares in subsidiary	4,500	-
Purchase of other investment	-	-
Proceeds from disposal of other investment	100,933	-
Net cash used in investing activities	(192,262)	(289,668)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from hire purchase	-	78,000
Proceeds from term loan	-	-
Proceeds from share issue	1,555,076	-
Payment of term loan instalments	(16,487)	(15,604)
Payment of hire purchase instalments	(26,003)	(24,080)
Hire purchase term charges paid	(2,629)	(2,049)
Consolidation of subsidiary, net cash	-	55,079
Net cash from / (used in) financing activities	1,509,957	91,346
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	169,943	(2,283,604)
EFFECT OF CHANGES IN EXCHANGE RATES	12,768	(5,577)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	205,182	2,494,363
CASH AND CASH EQUIVALENTS CARRIED FORWARD	387,893	205,182
Represented by:		
TIME DEPOSITS	-	152,786
CASH AND BANK BALANCES	1,015,856	496,005
BANK OVERDRAFT	(627,963)	(443,609)
	387,893	205,182

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

1. Basis of Preparation

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.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012. 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 2012 except for the adoption of the following MFRSs and Amendments to MFRS which are applicable to the financial statements from 1 January 2013 as disclosed therein:

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 16	Property, Plant and Equipment
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investment in Associates and Joint Ventures
Amendments to MFRS 1	Government Loans
Amendments to MFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10, 11 and 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
Amendments to MFRS 1, 116, 132, 134 and IC Interpretations 2	Annual Improvements 2009 – 2011 Cycle

The application of the above MFRSs and Amendments to MFRS did not result in any significant changes in accounting policies and presentation of the financial results of the Group for the current quarter.

The Group has not applied the following standards which have been issued by MASB but not yet effective for the current quarter. The initial adoption of these standards are not expected to have significant impact to the financial statements of the Group

Standards effective for financial periods beginning on or after 1 January 2014

Amendments to MFRS 132	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10, 12 and 127	Investment Entities
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

Effective for financial periods beginning on or after 1 January 2015

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)
Amendments to MFRS 9	Mandatory Effective Date of MFRS 9 and Transition Disclosures
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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 unusual 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.

**Ygi Convergence Berhad (649013-W) (“Ygi” or “Group”)
Quarterly report for the fourth quarter ended 31 December 2013**

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	
	2013	2012	2013	2012
<u>Segment Revenue</u>				
Revenue from operations:				
Malaysia	1,578,533	1,148,313	4,724,699	3,020,958
Asia Pacific	519,011	998,888	2,834,020	3,652,160
Total revenue	2,097,544	2,147,201	7,558,719	6,673,118
Elimination of inter-segment sales	-	(178,693)	-	(178,693)
External sales	2,097,544	1,968,508	7,558,719	6,494,425
Interest revenue	827	1,138	4,324	25,097

	3 months ended 31 December		Cumulative 12 months ended 31 December	
	2013	2012	2013	2012
<u>Segment Results</u>				
Results from operations:				
Malaysia	51,870	(407,347)	(1,265,880)	(2,382,958)
Asia Pacific	(263,780)	(197,160)	(1,154,718)	108,357
	(211,910)	(604,507)	(2,420,598)	(2,274,601)
Finance cost	(15,764)	(10,564)	(52,783)	(38,884)
Share of associate's profit / (loss)	(50,577)	(17,783)	(180,011)	(117,886)
Tax expense	(2,038)	(14,284)	(3,944)	(23,545)
Minority interests	10,198	58,024	99,267	(25,734)
Total results	(270,091)	(589,114)	(2,558,069)	(2,480,650)

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 2012.

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 February 2014 (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

Current Quarter - Group

For the quarter under review, Ygl Group recorded a revenue of RM2,097,544 which was an increase of 6.6% as compared to a revenue of RM1,968,508 achieved in the preceding year corresponding quarter ended 31 December 2012. There was gross profit RM362,891 for the quarter under review as compared to gross profit of RM260,399 for the preceding year corresponding quarter which was an increase of 39.4%. This was due to increase in revenue recorded during the quarter under review.

Net loss from operations for the quarter under review was RM211,910 as compared to net loss from operations in the preceding year corresponding quarter ended 31 December 2012 of RM604,507 which was a decrease of 64.9%. This was due to the sales of different product mix with lower margin and the commencement of amortization for certain products that have been completed and released to the market.

Malaysia Segment

For the quarter under review, the Malaysia segment recorded a revenue of RM1,578,533 which was an increase of 37.5% as compared to a revenue of RM1,148,313 achieved in the preceding year corresponding quarter ended 31 December 2012. Profit from operations for the quarter under review was RM51,870 as compared to loss from operations of RM407,347 for the preceding year corresponding quarter which was a decrease of 112.7%. This was due to the sales of different product mix with lower margin and the commencement of amortization for certain products that have been completed and released to the market.

Asia Pacific Segment

For the quarter under review, the Asia Pacific segment recorded a revenue of RM519,011 which was a decrease of 48.0% as compared to a revenue of RM998,888 achieved in the preceding year corresponding quarter ended 31 December 2012. Loss from operations for the quarter under review was RM263,780 as compared to loss from operations of RM197,160 for the preceding year corresponding quarter which was an increase of 48.0%. The increase in loss from operations was due to lower revenue recorded during the period.

Cumulative Quarters - Group

For the twelve months period ended 31 December 2013, Ygl Group recorded a revenue of RM7,558,719 representing an increase of 16.4% as compared to a revenue of RM6,494,425 achieved in the twelve months period ended 31 December 2012. There was gross loss of RM339,267 for the twelve months period ended 31 December 2013 compared to gross profit of RM353,625 in the twelve months period ended 31 December 2012 which was a decrease of 195.9%. The gross loss was due to the sales of different product mix with lower margin and the commencement of amortization for certain products that have been completed and released to the market.

Net loss from operations for the twelve months ended 31 December 2013 was RM2,420,598 as compared to net loss from operations of RM2,274,601 for the twelve months ended 31 December 2012, which was an increase of 6.4%. This increase in net loss was due to the sales of different product mix with lower margin and the commencement of amortization for certain products that have been completed and released to the market.

Malaysia Segment

For the twelve months ended 31 December 2013, the Malaysia segment recorded a revenue of RM4,724,699 representing an increase of 56.4% as compared to a revenue of RM3,020,958 achieved in the twelve months period ended 31 December 2012. Net loss from operations was RM1,265,880 for the twelve months period ended 31 December 2013 as compared to a loss of RM2,382,958 recorded in the twelve months period ended 31 December 2012 which represented a reduction by 46.9%. This was due to the selling of certain products with lower margin.

Asia Pacific Segment

For the twelve months ended 31 December 2013, the Asia Pacific segment recorded a revenue of RM2,834,020 representing a decrease of 22.4% as compared to a revenue of RM3,652,160 achieved in the twelve months period ended 31 December 2012. There was net loss from operations of RM1,154,718 for the twelve months period ended 31 December 2013 as compared to a net profit of RM108,357 as recorded in the twelve months period ended 31 December 2012. The net loss situation was due to increased direct overhead cost for certain projects, lower revenue recorded amidst the fixed supporting staff and amortization of development cost for products newly released to the market.

14. Material Changes in Profit Before Tax Against Preceding Quarter

There was a loss before tax of RM278,251 for the quarter under review as compared to a loss of RM1,075,951 recorded in the preceding third quarter ended 30 September 2013, which was a decrease of 74.1%. The was due to the sales of different product mix with lower margin and the commencement of amortization for certain products that have been completed and released to the market.

15. Corporate Proposals

There are no other corporate proposals announced but not completed as at the date of announcement as at 25 February 2014 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

16. Prospects for 2014

The prospect for 2014 is expected to be good. Corporate customers who are hesitant in investing heavily in the enterprise solutions during these times of increasing business costs, will source for more affordable niche solutions to improve the efficiency of their operations. The product lines that have been developed by Ygl for certain niche industry segments are mature now and have been released progressively into regional market. These products being locally developed have their cost advantages and are more customized to the Asia market as compared to international offerings.

17. Taxation

	Current Quarter 31 December 2013 RM	Cumulative Quarter 31 December 2013 RM
Current tax expense		
Malaysian income tax	944	306
Foreign tax	1,094	3,638
	<hr/> 2,038	<hr/> 3,944
Deferred tax	-	-
Total income tax expense	<hr/> <hr/> 2,038	<hr/> <hr/> 3,944

There was a tax expense despite the net loss position of the Group as certain companies within the Group are still subject to income tax.

18. Status on Utilisation of Proceeds

Private Placement

Pursuant to the private placement exercise undertaken by the Company on 15 March 2013, the Company had raised approximately RM1.599 million which is entirely earmarked for working capital purposes. As at to date, Ygl has completely utilised the funds.

19. Cash and cash equivalents

	As at 31 December 2013 RM'000	As at 31 December 2012 RM'000
Time deposits	-	152
Cash and bank balances	1,016	496
	<hr/> 1,016	<hr/> 648
Less: Overdraft	(628)	(443)
	<hr/> <hr/> 388	<hr/> <hr/> 205

20. Company Borrowings and Debt Securities

The Group’s borrowings are as follows:

	As at 31 December 2013 RM	As at 31 December 2012 RM
<u>Payable within 12 months</u>		
Secured - Term Loan	17,279	16,487
Secured - Hire purchase liability	26,003	26,003
Secured - Bank Overdraft	627,963	443,609
	671,245	486,099
 <u>Payable after 12 months</u>		
Secured - Term Loan	723,170	740,449
Secured - Hire purchase liability	6,491	32,494
	729,661	772,943
 Total	1,400,906	1,259,042

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 February 2014 (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:

	As at 31 December 2013 RM	As at 31 December 2012 RM
<u>Financial assets</u>		
Account receivables	1,882,265	2,109,151
Other receivables, prepayments and deposits paid	2,198,800	1,997,970
Short term investment	-	100,932
Cash and cash equivalents	1,015,856	648,791
	5,096,921	4,856,844
	5,096,921	4,856,844

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

	As at 31 December 2013 RM	As at 31 December 2012 RM
<u>Financial liabilities at amortised cost</u>		
Account payables	1,289,068	422,471
Other payables, accruals and deposits received	1,433,369	1,476,575
Bank overdraft	627,963	443,609
Term loan	740,449	756,936
Hire purchase liabilities	32,494	58,497
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	4,123,343	3,158,088
	=====	=====

All other financial instruments are carried at amounts not materially different from their fair values as at 31 December 2013.

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

Aging analysis of financial assets:

	RM
Up to 90 days	614,572
>90 to 180 days	221,406
>180 to 360 days	230,588
>360 days	815,699
Total amount	<u>1,882,265</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 fourth quarter ended 31 December 2013, 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	
	2013	2012	2013	2012
Profits/(Loss) for the period attributable to shareholders (RM)	(278,251)	(632,854)	(2,653,392)	(2,431,371)
Weighted average number of ordinary shares in issue	175,975,140	159,977,400	175,975,140	159,977,400
Basic earnings/(loss) per share (sen)	(0.16)	(0.40)	(1.51)	(1.52)

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 December 2013 RM	As at preceding financial year end 31 December 2012 RM
Total accumulated profits / (losses) of Ygl and its subsidiaries:		
Realised	(5,553,714)	(3,161,374)
Unrealised	(47,463)	(61,744)
	(5,601,177)	(3,223,118)
Total share of accumulated losses from associated company:		
Realised	(975,924)	(795,913)
Unrealised	-	-
	(6,577,101)	(4,019,031)
Less: Consolidation adjustments	-	-
Total group accumulated profits / (losses) as per consolidated accounts	(6,577,101)	(4,019,031)