

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

	Note	Individual Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
		2014 RM	2013 RM	2014 RM	2013 RM
Continuing Operations					
Revenue	13	3,055,963	1,926,461	3,055,963	1,926,461
Cost of Sales		<u>(2,502,613)</u>	<u>(1,758,255)</u>	<u>(2,502,613)</u>	<u>(1,758,255)</u>
Gross (Loss) / Profit		553,350	168,206	553,350	168,206
Other Operating Income		17,444	34,746	17,444	34,746
Selling and Distribution Costs		-	(8,000)	-	(8,000)
Administrative Expenses		(176,314)	(170,196)	(176,314)	(170,196)
Other Operating Expenses		(510,647)	(366,874)	(510,647)	(366,874)
(Loss) / Profit for the period from continuing operations		<u>(116,167)</u>	<u>(342,118)</u>	<u>(116,167)</u>	<u>(342,118)</u>
Finance Costs		(17,359)	(16,936)	(17,359)	(16,936)
Gain on Financial Assets Measured at Fair Value	22	-	-	-	-
Share of Results of Associate Company		(48,765)	(42,966)	(48,765)	(42,966)
(Loss) / Profit Before Tax	14	<u>(182,291)</u>	<u>(402,020)</u>	<u>(182,291)</u>	<u>(402,020)</u>
Income Tax Expense	17	(5,494)	12,015	(5,494)	12,015
(Loss) / Profit for the period		<u>(187,785)</u>	<u>(390,005)</u>	<u>(187,785)</u>	<u>(390,005)</u>
Profit attributable to :					
Shareholders of the company		(170,714)	(364,587)	(170,714)	(364,587)
Minority interests		(17,071)	(25,418)	(17,071)	(25,418)
(Loss) / Profit for the period		<u>(187,785)</u>	<u>(390,005)</u>	<u>(187,785)</u>	<u>(390,005)</u>
Other comprehensive income					
Exchange differences on translation of foreign operation		(33,681)	40,476	(33,681)	40,476
Total Comprehensive (Loss) / Income for the period		<u>(221,466)</u>	<u>(349,529)</u>	<u>(221,466)</u>	<u>(349,529)</u>
Total comprehensive (loss) / income attributable to:					
Shareholders of the Parent		(204,395)	(324,111)	(204,395)	(324,111)
Minority interests		(17,071)	(25,418)	(17,071)	(25,418)
		<u>(221,466)</u>	<u>(349,529)</u>	<u>(221,466)</u>	<u>(349,529)</u>
Earnings per share attributable to owners of the parent (in sen)					
Basic EPS	27	-0.10	-0.23	-0.10	-0.23

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 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 2014**

	Individual Quarter 3 months ended 31 March 2014 <u>RM</u>	Cumulative 3 months ended 31 March 2014 <u>RM</u>
(a) Interest income	44	44
(b) Other income including investment income	-	-
(c) Gain / (Loss) on disposal of quoted / unquoted investment or properties	n/a	n/a
(d) Gain / (Loss) on foreign exchange	(19,248)	(19,248)
(e) Gain / (Loss) on derivatives	n/a	n/a
(f) Interest expense	17,359	17,359
(g) Depreciation	20,922	20,922
(h) Amortization	338,186	338,186
(i) Provision for and write-off of receivables	849,191	849,191
(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 2014

	Note	31 March 2014 (Unaudited) RM	31 December 2013 (Audited) RM
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		5,599,367	5,588,359
Investment Property		286,542	286,661
Goodwill and Other Intangible Assets		6,604,497	6,533,889
Investment in Associate Company		451,404	500,169
		<u>12,941,810</u>	<u>12,909,078</u>
Current Assets			
Trade and Other Receivables	22	5,207,581	4,045,461
Amount Owing by Associate Company		-	37,800
Current Tax Assets		8,905	6,584
Cash and Cash Equivalents	19	650,442	1,056,036
		<u>5,866,928</u>	<u>5,145,881</u>
TOTAL ASSETS		<u>18,808,738</u>	<u>18,054,959</u>
EQUITY AND LIABILITIES			
Equity			
Share Capital		17,597,514	17,597,514
Share Premium Reserve, non-distributable		2,308,629	2,308,629
Exchange Translation Reserve, non-distributable		(85,380)	(51,699)
(Accumulated Loss) / Retained Profit		<u>(6,762,097)</u>	<u>(6,591,383)</u>
Equity attributable to shareholders of the Company		13,058,666	13,263,061
Minority Interests		62,697	79,768
TOTAL EQUITY		<u>13,121,363</u>	<u>13,342,829</u>
Non-Current Liabilities			
Term Loan	20	718,607	723,603
Hire Purchase Liabilities	20	2,364	7,077
Deferred Tax Liabilities		-	-
		<u>720,971</u>	<u>730,680</u>
Current Liabilities			
Term Loan	20	17,480	16,846
Hire Purchase Liabilities	20	27,566	27,282
Bank Overdraft	20	649,449	627,963
Trade and Other Payables	22	3,499,482	2,743,894
Amount due to director		19,054	19,120
Deferred revenue		753,373	546,345
		<u>4,966,404</u>	<u>3,981,450</u>
TOTAL LIABILITIES		<u>5,687,375</u>	<u>4,712,130</u>
TOTAL EQUITY AND LIABILITIES		<u>18,808,738</u>	<u>18,054,959</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)		7.42	7.54

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 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 2014**

	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 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		-	-	109,076	-	109,076	-	109,076
On acquisition of subsidiary		-	-	-	-	-	-	-
On disposal of subsidiary		-	-	-	-	-	(1,140)	(1,140)
Net loss for the year		-	-	-	(2,572,351)	-2,572,351	(97,642)	(2,669,993)
At 31 December 2013		<u>17,597,514</u>	<u>2,308,629</u>	<u>-51,699</u>	<u>-6,591,383</u>	<u>13,263,061</u>	<u>79,768</u>	<u>13,342,829</u>
<i>Unaudited</i>								
At 1 January 2014		17,597,514	2,308,629	-51,699	-6,591,383	13,263,061	79,768	13,342,829
Other comprehensive loss		-	-	(33,681)	-	-33,681	-	(33,681)
Net loss for the year		-	-	-	(170,714)	-170,714	(17,071)	(187,785)
At 31 March 2014		<u>17,597,514</u>	<u>2,308,629</u>	<u>-85,380</u>	<u>-6,762,097</u>	<u>13,058,666</u>	<u>62,697</u>	<u>13,121,363</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 2013 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2014

Note	3 MONTHS ENDED 31 MARCH (UNAUDITED)	YEAR ENDED 31 DECEMBER (AUDITED)
	2014 RM	2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(182,291)	(2,684,860)
Adjustments for:-		
Depreciation of property, plant and equipment	20,803	104,469
Depreciation of investment property	119	477
Amortisation of software development costs	337,782	1,488,217
Amortisation of membership	404	908
Share of result of associates	48,765	178,918
Impairment loss on intangible assets	-	2,000
Bad debts written off	-	477
Property, plant and equipment written off	-	1
Allowance for doubtful debts	114,382	14,079
Allowance for doubtful debts written back	-	(11,704)
Unrealised (gain) / loss on foreign exchange	41,603	(47,355)
Gain on acquisition of subsidiary	-	(2,531)
Gain on disposal of subsidiary	-	(5,513)
Dividend income	-	(1,833)
Interest income	(44)	(2,491)
Interest expense	17,016	50,821
Hire purchase term charges	343	4,493
Operating (loss) / profit before working capital changes	398,882	(911,427)
Changes in software development costs	(412,142)	(1,335,304)
Receipts from customers	1,009,035	8,069,800
Changes in receivables	(1,978,645)	(8,011,311)
Payments to suppliers, contractors and employees	(368,652)	(5,021,101)
Changes in payables	781,395	5,885,069
Changes in deferred revenue	207,028	178,124
Cash used in operations	(363,099)	(1,146,150)
Interest received	44	2,491
Dividend received	-	1,833
Interest paid	(17,016)	(50,821)
Tax (paid) / refund	(5,494)	5,019
Net cash used in operating activities	(385,565)	(1,187,628)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(31,870)	(297,694)
Purchase of investment in associate	-	-
Net cash inflow from acquisition subsidiary	-	34,995
Proceeds from disposal of shares in subsidiary	-	4,000
Purchase of other investment	-	-
Proceeds from disposal of other investment	-	100,932
Net cash used in investing activities	-31,870	-157,767
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from hire purchase	-	-
Proceeds from term loan	-	-
Proceeds from share issue	-	1,555,076
Payment of term loan instalments	(4,361)	(16,487)
Payment of hire purchase instalments	(4,429)	(24,139)
Hire purchase term charges paid	(343)	(4,493)
Net cash from / (used in) financing activities	(9,133)	1,509,957
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(426,568)	164,562
EFFECT OF CHANGES IN EXCHANGE RATES	(512)	58,329
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	428,073	205,182
CASH AND CASH EQUIVALENTS CARRIED FORWARD	993	428,073
Represented by:		
CASH AND BANK BALANCES	650,442	1,056,036
BANK OVERDRAFT	(649,449)	(627,963)
	993	428,073

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 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 2013. 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 2013 except for the adoption of the following MFRSs and Amendments to MFRS which are applicable to the financial statements from 1 January 2014 as disclosed therein:

Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interest in Other Entities: Investment Entities
Amendments to MFRS 127	Separate Financial Statements; Investment Entities
Amendments to MFRS 132	Disclosures – Offsetting Financial Assets and Financial Liabilities
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

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 July 2014

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvement 2011-2013 Cycle)
Amendments to MFRS 2	Share-based Payments (Annual Improvement 2010-2012 Cycle)
Amendments to MFRS 3	Business Combinations (Annual Improvement 2010-2012 Cycle and 2011-2013 Cycle)
Amendments to MFRS 8	Operating Segments (Annual Improvement 2010-2012 Cycle)
Amendments to MFRS 13	Fair Value Measurement (Annual Improvement 2010-2012 Cycle and 2011-2013 Cycle)
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvement 2010-2012 Cycle)
Amendments to MFRS 119	Employee Benefits – Defined Benefit Plans: Employee Contributions
Amendments to MFRS 124	Related Party Disclosures (Annual Improvement 2010-2012 Cycle)
Amendments to MFRS 138	Intangible Assets (Annual Improvement 2010-2012 Cycle)
Amendments to MFRS 140	Investment Properties (Annual Improvement 2010-2012 Cycle)

Effective for a date yet to be confirmed

MFRS 9	Financial Instruments (2009)
MFRS 9	Financial Instruments (2010)
MFRS 9	Financial Instruments – Hedge Accounting and Amendments to MFRS9, MFRS 7 and MFRS 139
Amendments to MFRS 7	Financial Instruments: Disclosures – Mandatory Effective of MFRS 9 and Transition Disclosures

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)
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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.

**Ygl Convergence Berhad (649013-W) (“Ygl” or “Group”)
Quarterly report for the first quarter ended 31 March 2014**

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	
	2014	2013	2014	2013
<u>Segment Revenue</u>				
Revenue from operations:				
Malaysia	2,398,065	1,039,042	2,398,065	1,039,042
Asia Pacific	657,898	887,419	657,898	887,419
Total revenue	3,055,963	1,926,461	3,055,963	1,926,461
Elimination of inter-segment sales	-	-	-	-
External sales	3,055,963	1,926,461	3,055,963	1,926,461
Interest revenue	44	1,168	44	1,168

	3 months ended 31 March		Cumulative 3 months ended 31 March	
	2014	2013	2014	2013
<u>Segment Results</u>				
Results from operations:				
Malaysia	(73,836)	117,683	(73,836)	117,683
Asia Pacific	(42,331)	(459,801)	(42,331)	(459,801)
	(116,167)	(342,118)	(116,167)	(342,118)
Finance cost	(17,359)	(16,936)	(17,359)	(16,936)
Share of associate's profit / (loss)	(48,765)	(42,966)	(48,765)	(42,966)
Tax expense	(5,494)	12,015	(5,494)	12,015
Minority interests	17,071	25,418	17,071	25,418
Total results	(170,714)	(364,587)	(170,714)	(364,587)

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 2013.

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 27 May 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, Ygi Group recorded a revenue of RM3,055,963 which was an increase of 58.6% as compared to a revenue of RM1,926,461 achieved in the preceding year corresponding quarter ended 31 March 2013. Gross profit for the quarter under review was RM553,350 as compared to gross profit of RM168,206 for the preceding year corresponding quarter which was an increase of 229%. This was due to increase in revenue recorded in the quarter under review.

Net loss from operations for the quarter under review was RM116,167 as compared to net loss from operations in the preceding year corresponding quarter ended 31 March 2013 of RM342,118 which was a decrease of 66.0%. This was due to increase in revenue recorded during the quarter under review.

Malaysia Segment

For the quarter under review, the Malaysia segment recorded a revenue of RM2,398,065 which was an increase of 130.8% as compared to a revenue of RM1,039,042 achieved in the preceding year corresponding quarter ended 31 March 2013. Loss from operations for the quarter under review was RM73,836 as compared to profit from operations of RM117,683 for the preceding year corresponding quarter which was a decrease of 162.7%. This was due to lesser margin delivered from different product mix.

Asia Pacific Segment

For the quarter under review, the Asia Pacific segment recorded a revenue of RM657,898 which was a decrease of 25.9% as compared to a revenue of RM887,419 achieved in the preceding year corresponding quarter ended 31 March 2013. Loss from operations for the quarter under review was RM42,331 as compared to loss from operations of RM459,801 for the preceding year corresponding quarter which was a decrease of 90.8%. The decrease in loss from operations was due to sale of different product mix with higher margin.

14. Material Changes in Profit Before Tax Against Preceding Quarter

There was a loss before tax of RM182,291 for the quarter under review as compared to a loss of RM278,251 recorded in the preceding fourth quarter ended 31 December 2013, which was a decrease of 34.5%. This was due to higher revenue recorded during the quarter under review.

15. Corporate Proposals

There are no other corporate proposals announced but not completed as at the date of announcement as at 27 May 2014 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

16. Prospects for 2014

The year 2014 provides a good revenue opportunity in Malaysia as businesses are sourcing for enterprise software that are equipped with advanced GST functions and features in their preparation for the implementation of Malaysian GST which will come into effect on 1 April 2015. Certain infrastructural changes incorporated in Ygl proprietary software will also open up market opportunity in the neighbouring countries.

17. Taxation

	Current Quarter 31 March 2014 RM	Cumulative Quarter 31 March 2014 RM
Current tax expense		
Malaysian income tax	4,200	4,200
Foreign tax	1,294	1,294
	<hr/> 5,494	<hr/> 5,494
Deferred tax	-	-
Total income tax expense	<hr/> 5,494	<hr/> 5,494

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

Not applicable.

19. Cash and cash equivalents

	As at 31 March 2014 RM'000	As at 31 March 2013 RM'000
Time deposits	-	153
Cash and bank balances	650	941
	<hr/> 650	<hr/> 1,094
Less: Overdraft	(649)	-
	<hr/> 1	<hr/> 1,094

20. Company Borrowings and Debt Securities

The Group’s borrowings are as follows:

	As at 31 March 2014 RM	As at 31 March 2013 RM
<u>Payable within 12 months</u>		
Secured - Term Loan	17,480	16,679
Secured - Hire purchase liability	27,566	26,003
Secured - Bank Overdraft	649,449	-
	694,495	42,682
 <u>Payable after 12 months</u>		
Secured - Term Loan	718,607	736,087
Secured - Hire purchase liability	2,364	25,993
	720,971	762,080
 Total	1,415,466	804,762

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 27 May 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 March 2014 RM	As at 31 March 2013 RM
<u>Financial assets</u>		
Account receivables	3,092,056	2,945,780
Other receivables, prepayments and deposits paid	2,115,525	1,986,274
Short term investment	-	101,629
Cash and cash equivalents	650,442	1,094,797
	5,858,023	6,128,480
	=====	=====

**Ygl Convergence Berhad (649013-W) (“Ygl” or “Group”)
Quarterly report for the first quarter ended 31 March 2014**

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

	As at 31 March 2014	As at 31 March 2013
	RM	RM
<u>Financial liabilities at amortised cost</u>		
Account payables	1,976,940	863,946
Other payables, accruals and deposits received	1,541,596	1,266,412
Bank overdraft	649,449	-
Term loan	736,087	752,766
Hire purchase liabilities	29,930	51,996
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	4,934,002	2,935,120
	=====	=====

All other financial instruments are carried at amounts not materially different from their fair values as at 31 March 2014.

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	1,606,437
>90 to 180 days	519,987
>180 to 360 days	165,143
>360 days	800,488
Total amount	<u>3,092,055</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 2014, 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	
	2014	2013	2014	2013
Profits/(Loss) for the period attributable to shareholders (RM)	(182,291)	(402,020)	(182,291)	(402,020)
Weighted average number of ordinary shares in issue	175,975,140	175,975,140	175,975,140	175,975,140
Basic earnings/(loss) per share (sen)	(0.10)	(0.23)	(0.10)	(0.23)

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 2014 RM	As at preceding financial year end 31 December 2013 RM
Total accumulated profits / (losses) of Ygl and its subsidiaries:		
Realised	(5,696,898)	(5,663,907)
Unrealised	(41,603)	47,355
	(5,738,501)	(5,616,552)
Total share of accumulated losses from associated company:		
Realised	(1,023,596)	(974,831)
Unrealised	-	-
	(6,762,097)	(6,591,383)
Less: Consolidation adjustments	-	-
Total group accumulated profits / (losses) as per consolidated accounts	(6,762,097)	(6,591,383)