

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

	Note	Individual Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
		2014 RM	2013 RM	2014 RM	2013 RM
Continuing Operations					
Revenue	13	1,969,310	2,097,544	7,974,707	7,437,046
Cost of Sales		<u>(1,551,778)</u>	<u>(1,734,653)</u>	<u>(6,769,516)</u>	<u>(7,548,778)</u>
Gross (Loss) / Profit		417,532	362,891	1,205,191	(111,732)
Other Operating Income		19,884	28,074	91,547	181,498
Selling and Distribution Costs		(9)	-	(11,488)	(83,897)
Administrative Expenses		(209,426)	(194,589)	(700,685)	(764,465)
Other Operating Expenses		(470,953)	(408,286)	(1,662,319)	(1,672,032)
(Loss) / Profit for the period from continuing operations		<u>(242,972)</u>	<u>(211,910)</u>	<u>(1,077,754)</u>	<u>(2,450,628)</u>
Finance Costs		(19,129)	(15,764)	(72,625)	(55,314)
Gain on Financial Assets Measured at Fair Value	22	-	-	-	-
Share of Results of Associate Company		67,455	(50,577)	(102,541)	(178,918)
(Loss) / Profit Before Tax	14	<u>(194,646)</u>	<u>(278,251)</u>	<u>(1,252,920)</u>	<u>(2,684,860)</u>
Income Tax Expense	17	40,040	(2,038)	21,050	14,867
(Loss) / Profit for the period		<u>(154,606)</u>	<u>(280,289)</u>	<u>(1,231,870)</u>	<u>(2,669,993)</u>
Profit attributable to :					
Owners of the Company		(160,786)	(270,091)	(1,197,054)	(2,572,351)
Non-controlling interests		6,180	(10,198)	(34,816)	(97,642)
(Loss) / Profit for the period		<u>(154,606)</u>	<u>(280,289)</u>	<u>(1,231,870)</u>	<u>(2,669,993)</u>
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operation		115,960	(29,011)	37,602	109,076
Total Comprehensive (Loss) / Income for the period		<u>(38,646)</u>	<u>(309,300)</u>	<u>(1,194,268)</u>	<u>(2,560,917)</u>
Total comprehensive (loss) / income attributable to:					
Owners of the Company		(44,826)	(299,102)	(1,159,452)	(2,463,275)
Non-controlling interests		6,180	(10,198)	(34,816)	(97,642)
		<u>(38,646)</u>	<u>(309,300)</u>	<u>(1,194,268)</u>	<u>(2,560,917)</u>
Earnings per share attributable to owners of the Company (in sen)					
Basic EPS	27	-0.11	-0.16	-0.71	-1.53

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 FOURTH QUARTER ENDED 31 DECEMBER 2014**

	Individual Quarter 3 months ended 31 December 2014	Cumulative 12 months ended 31 December 2014
	<u>RM</u>	<u>RM</u>
(a) Interest income	158	389
(b) Other income including investment income	n/a	n/a
(c) Gain / (Loss) on disposal of quoted / unquoted investment or properties	n/a	n/a
(d) Gain / (Loss) on foreign exchange	(67)	(11,767)
(e) Gain / (Loss) on derivatives	n/a	n/a
(f) Interest expense	19,129	72,625
(g) Depreciation	90,332	329,798
(h) Amortization	440,148	1,551,168
(i) Provision for and write-off of receivables	193,226	1,041,957
(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 DECEMBER 2014

	Note	31 December 2014 (Unaudited) RM	31 December 2013 (Audited) RM
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		5,440,344	5,588,359
Investment Property		286,185	286,661
Goodwill and Other Intangible Assets		6,362,732	6,533,889
Investment in Associate Company		397,628	500,169
		<u>12,486,889</u>	<u>12,909,078</u>
Current Assets			
Trade and Other Receivables	22	3,353,525	4,045,461
Amount Owing by Associate Company		3,600	37,800
Current Tax Assets		81,461	6,584
Cash and Cash Equivalents	19	643,126	1,056,036
		<u>4,081,712</u>	<u>5,145,881</u>
TOTAL ASSETS		<u>16,568,601</u>	<u>18,054,959</u>
EQUITY AND LIABILITIES			
Equity			
Share Capital		17,597,514	17,597,514
Share Premium, non-distributable		2,308,629	2,308,629
Exchange Translation, non-distributable		(14,097)	(51,699)
(Accumulated Losses) / Retained Profits		<u>(7,788,437)</u>	<u>(6,591,383)</u>
Equity attributable to owners of the Company		12,103,609	13,263,061
Non-controlling Interests		44,952	79,768
TOTAL EQUITY		<u>12,148,561</u>	<u>13,342,829</u>
Non-Current Liabilities			
Term Loan	20	703,917	723,603
Hire Purchase Liabilities	20	-	7,077
Deferred Tax Liabilities		-	-
		<u>703,917</u>	<u>730,680</u>
Current Liabilities			
Term Loan	20	19,567	16,846
Hire Purchase Liabilities	20	7,077	27,282
Bank Overdraft	20	677,749	627,963
Trade and Other Payables	22	1,680,919	2,743,894
Amount due to director		701,836	19,120
Deferred revenue		628,975	546,345
		<u>3,716,123</u>	<u>3,981,450</u>
TOTAL LIABILITIES		<u>4,420,040</u>	<u>4,712,130</u>
TOTAL EQUITY AND LIABILITIES		<u>16,568,601</u>	<u>18,054,959</u>
Net assets per share attributable to owners of the Company (sen)		6.88	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 FOURTH QUARTER ENDED 31 DECEMBER 2014**

	Note	Share Capital RM	Share Premium RM	Exchange Translation Reserve RM	Retained Earnings RM	Total RM	Non-controlling 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
On disposal of subsidiary		-	-	-	-	-	(1,140)	(1,140)
Net loss for the year		-	-	-	(2,572,351)	(2,572,351)	(97,642)	(2,669,993)
Other comprehensive loss		-	-	109,076	-	109,076	-	109,076
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
Net loss for the year		-	-	-	(1,197,054)	(1,197,054)	(34,816)	(1,231,870)
Other comprehensive loss		-	-	37,602	-	37,602	-	37,602
At 31 December 2014		<u>17,597,514</u>	<u>2,308,629</u>	<u>(14,097)</u>	<u>(7,788,437)</u>	<u>12,103,609</u>	<u>44,952</u>	<u>12,148,561</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 FOURTH QUARTER ENDED 31 DECEMBER 2014

Note	12 MONTHS ENDED 31 DECEMBER (UNAUDITED)	YEAR ENDED 31 DECEMBER (AUDITED)
	2014 RM	2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(1,252,920)	(2,684,860)
Adjustments for:-		
Depreciation of property, plant and equipment	329,321	104,469
Depreciation of investment property	477	477
Amortisation of software development costs	1,551,168	1,488,217
Amortisation of membership	1,616	908
Share of result of associates	102,541	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	113,678	14,079
Allowance for doubtful debts written back	-	(11,704)
Unrealised (gain) / loss on foreign exchange	26,474	(47,355)
Gain on acquisition of subsidiary	-	(2,531)
Gain on disposal of subsidiary	-	(5,513)
Interest income	(389)	(4,324)
Interest expense	71,275	50,821
Hire purchase term charges	1,350	4,493
Operating (loss) / profit before working capital changes	944,591	(911,427)
Changes in software development costs	(1,307,310)	(1,335,304)
Receipts from customers	7,760,689	8,069,800
Changes in receivables	(7,167,731)	(8,011,311)
Payments to suppliers, contractors and employees	(5,543,671)	(5,021,101)
Changes in payables	5,033,996	5,885,069
Changes in deferred revenue	82,630	178,124
Cash used in operations	(196,806)	(1,146,150)
Interest received	389	4,324
Interest paid	(71,275)	(50,821)
Tax (paid) / refund	21,050	5,019
Net cash used in operating activities	(246,642)	(1,187,628)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(180,737)	(297,694)
Net cash inflow from acquisition subsidiary	-	34,995
Proceeds from disposal of shares in subsidiary	-	4,000
Proceeds from disposal of other investment	-	100,932
Net cash used in investing activities	(180,737)	(157,767)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	-	1,599,774
Share issuance expenses	-	(44,698)
Payment of term loan instalments	(16,965)	(16,487)
Payment of hire purchase instalments	(27,282)	(24,139)
Hire purchase term charges paid	(1,350)	(4,493)
Net cash (used in) / from financing activities	(45,597)	1,509,957
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(472,976)	164,562
EFFECT OF CHANGES IN EXCHANGE RATES	10,280	58,329
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	428,073	205,182
CASH AND CASH EQUIVALENTS CARRIED FORWARD	(34,623)	428,073
Represented by:		
CASH AND BANK BALANCES	643,126	1,056,036
BANK OVERDRAFT	(677,749)	(627,963)
	(34,623)	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)

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Quarterly report for the fourth quarter ended 31 December 2014**

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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Effective for financial periods beginning on or after 1 January 2016

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 116 & MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 & MFRS 141	Agriculture: Bearer Plants
Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 10, MFRS 12 & MFRS 128	Investment Entities: Applying the Consolidation Exception

Effective for financial periods beginning on or after 1 January 2017

MFRS 15	Revenue from Contracts with Customers
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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.

**Ygi Convergence Berhad (649013-W) (“Ygi” or “Group”)
Quarterly report for the fourth quarter ended 31 December 2014**

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	
	2014	2013	2014	2013
<u>Segment Revenue</u>				
Revenue from operations:				
Malaysia	1,171,919	1,578,533	5,490,267	4,637,378
Asia Pacific	797,391	519,011	2,484,440	2,799,668
Total revenue	1,969,310	2,097,544	7,974,707	7,437,046
Elimination of inter-segment sales	-	-	-	-
External sales	1,969,310	2,097,544	7,974,707	7,437,046
Interest revenue	158	827	389	4,324

	3 months ended 31 December		Cumulative 12 months ended 31 December	
	2014	2013	2014	2013
<u>Segment Results</u>				
Results from operations:				
Malaysia	(324,734)	51,870	(562,183)	(1,311,073)
Asia Pacific	81,762	(263,780)	(515,571)	(1,139,555)
	(242,972)	(211,910)	(1,077,754)	(2,450,628)
Finance cost	(19,129)	(15,764)	(72,625)	(55,314)
Share of associate's profit / (loss)	67,455	(50,577)	(102,541)	(178,918)
Tax expense	40,040	(2,038)	21,050	14,867
Non-controlling interests	(6,180)	10,198	34,816	97,642
Total results	(160,786)	(270,091)	(1,197,054)	(2,572,351)

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 23 February 2015 (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 RM1,969,310 which was a decrease of 6.1% as compared to a revenue of RM2,097,544 achieved in the preceding year corresponding quarter ended 31 December 2013. Gross profit for the quarter under review was RM417,532 as compared to gross profit of RM362,891 for the preceding year corresponding quarter which was an increase of 15.1%. The decrease in turnover was not significant and it was contributed by sales of different product mix. The increase in gross profit was due to more sales recorded from Ygl own proprietary product with higher margin.

Net loss from operations for the quarter under review was RM242,972 as compared to net loss from operations in the preceding year corresponding quarter ended 31 December 2013 of RM211,910 which was an increase of 14.7%. This was due to certain provisions during the quarter under review.

Malaysia Segment

For the quarter under review, the Malaysia segment recorded a revenue of RM1,171,919 which was a decrease of 25.8% as compared to a revenue of RM1,578,533 achieved in the preceding year corresponding quarter ended 31 December 2013. Loss from operations for the quarter under review was RM324,734 as compared to profit from operations of RM51,870 for the preceding year corresponding quarter which was a decrease of 726.1%. This was due to certain provisions made in the quarter under review.

Asia Pacific Segment

For the quarter under review, the Asia Pacific segment recorded a revenue of RM797,391 which was an increase of 53.6% as compared to a revenue of RM519,011 achieved in the preceding year corresponding quarter ended 31 December 2013. Profit from operations for the quarter under review was RM81,762 as compared to loss from operations of RM263,780 for the preceding year corresponding quarter which was an improvement of 131%. This was due to increase in revenue in the back of certain fixed overheads.

Cumulative Quarters - Group

For the twelve months period ended 31 December 2014, Ygl Group recorded a revenue of RM7,974,707 representing an increase of 7.2% as compared to a revenue of RM7,437,046 achieved in the twelve months period ended 31 December 2013. There was gross profit of RM1,205,191 for the twelve months period ended 31 December 2014 compared to gross loss of RM111,732 as achieved in the twelve months period ended 31 December 2013 which was an improvement of 1178.6%. The gross profit was due to higher revenue recorded during the year and also more revenue generated from Ygl own proprietary product which had higher margin.

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

Malaysia Segment

For the twelve months ended 31 December 2014, the Malaysia segment recorded a revenue of RM5,490,267 representing an increase of 18.4% as compared to a revenue of RM4,637,378 achieved in the twelve months period ended 31 December 2013. Net loss from operations was RM562,183 for the twelve months period ended 31 December 2014 as compared to a loss of RM1,311,073 recorded in the twelve months period ended 31 December 2013. This was due to higher revenue recorded and also more revenue generated from Ygl own proprietary product which had higher margin.

Asia Pacific Segment

For the twelve months ended 31 December 2014, the Asia Pacific segment recorded a revenue of RM2,484,440 representing a decrease of 11.3% as compared to a revenue of RM2,799,668 achieved in the twelve months period ended 31 December 2013. There was net loss from operations was RM515,571 for the twelve months period ended 31 December 2014 as compared to a net loss of RM1,139,555 as recorded in the twelve months period ended 31 December 2013. The decrease in loss from operations was due to certain cost cutting measures implemented overseas and elimination of low margin projects.

14. Material Changes in Profit Before Tax Against Preceding Quarter

There was a loss before tax of RM194,646 for the quarter under review as compared to a loss of RM530,975 recorded in the preceding third quarter ended 30 September 2014, which was a decrease of 63.3%. This was due to higher revenue achieved in 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 23 February 2015 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

16. Prospects for 2015

The software development efforts in the past years have contributed to the proprietary software products that have received market recognition and acceptance. YGL is looking forward to increasing its market share in 2015. The certification by the Royal Malaysian Customs for advanced GST status also provided attractive alternative for businesses seeking to upgrade their systems. There are also market opportunities in the neighbouring countries for Ygl proprietary software due to ease of use and customisation to Asian business needs.

17. Taxation

	Current Quarter 31 December 2014 RM	Cumulative Quarter 31 December 2014 RM
Current tax expense		
Malaysian income tax	31,005	47,808
Foreign tax	(905)	1,282
	<hr/> 30,100	<hr/> 49,090
Deferred tax	(70,140)	(70,140)
Total income tax expense	<hr/> <hr/> (40,040)	<hr/> <hr/> (21,050)

**Ygl Convergence Berhad (649013-W) (“Ygl” or “Group”)
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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 December 2014 RM'000	As at 31 December 2013 RM'000
Time deposits	-	-
Cash and bank balances	643	1,056
	<hr/> 643	<hr/> 1,056
Less: Overdraft	(678)	(628)
	<hr/> (35)	<hr/> 428

20. Company Borrowings and Debt Securities

The Group's borrowings are as follows:

	As at 31 December 2014 RM	As at 31 December 2013 RM
<u>Payable within 12 months</u>		
Secured - Term Loan	19,567	16,846
Secured - Hire purchase liability	7,077	27,282
Secured - Bank Overdraft	677,749	627,963
	<hr/> 704,393	<hr/> 672,091
<u>Payable after 12 months</u>		
Secured - Term Loan	703,917	723,603
Secured - Hire purchase liability	-	7,077
	<hr/> 703,917	<hr/> 730,680
Total	<hr/> 1,408,310	<hr/> 1,402,771

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 2015 (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 2014 RM	As at 31 December 2013 RM
<u>Financial assets</u>		
Account receivables	2,199,070	1,882,263
Other receivables, prepayments and deposits paid	1,154,455	2,163,198
Cash and cash equivalents	643,126	1,056,036
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	3,996,651	5,101,497
	=====	=====

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

	As at 31 December 2014 RM	As at 31 December 2013 RM
<u>Financial liabilities at amortised cost</u>		
Account payables	505,099	1,289,065
Other payables, accruals and deposits received	1,175,820	1,454,829
Bank overdraft	677,749	627,963
Term loan	723,484	740,449
Hire purchase liabilities	7,077	34,359
Amount owing to directors	701,836	19,120
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	3,791,065	4,165,785
	=====	=====

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

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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 Group 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:

	As at 31 December 2014 RM	As at 31 December 2013 RM
Up to 90 days	1,361,819	614,572
>90 to 180 days	261,839	221,406
>180 to 360 days	136,656	230,588
>360 days	438,756	815,697
Total amount	2,199,070	1,882,263

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 4.95% 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 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 December		Cumulative 12 months ended 31 December	
	2014	2013	2014	2013
Profits/(Loss) for the period attributable to shareholders (RM)	(194,646)	(278,251)	(1,252,920)	(2,684,860)
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)	(0.11)	(0.16)	(0.71)	(1.53)

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 2014 RM	As at preceding financial year end 31 December 2013 RM
Total accumulated profits / (losses) of Ygl and its subsidiaries:		
Realised	(6,684,591)	(5,663,907)
Unrealised	(26,474)	47,355
	(6,711,065)	(5,616,552)
Total share of accumulated losses from associated company:		
Realised	(1,077,372)	(974,831)
Unrealised	-	-
	(7,788,437)	(6,591,383)
Less: Consolidation adjustments	-	-
Total group accumulated profits / (losses) as per consolidated accounts	(7,788,437)	(6,591,383)