

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

	Note	Individual Quarter 3 months ended 30 June		Cumulative Quarter 6 months ended 30 June	
		2015 RM	2014 RM	2015 RM	2014 RM
Continuing Operations					
Revenue	13	1,248,995	1,877,849	3,753,473	4,933,812
Cost of Sales		<u>(1,195,326)</u>	<u>(1,615,103)</u>	<u>(2,503,359)</u>	<u>(4,117,716)</u>
Gross (Loss) / Profit		53,669	262,746	1,250,114	816,096
Other Operating Income		26,889	19,399	58,585	36,843
Selling and Distribution Costs		-	(11,495)	-	(11,495)
Administrative Expenses		(156,295)	(179,373)	(261,781)	(355,687)
Other Operating Expenses		(310,022)	(372,123)	(534,918)	(882,770)
(Loss) / Profit for the period from continuing operations		<u>(385,759)</u>	<u>(280,846)</u>	<u>512,000</u>	<u>(397,013)</u>
Finance Costs		(17,763)	(17,895)	(35,984)	(35,254)
Gain on Financial Assets Measured at Fair Value	22	-	-	-	-
Share of Results of Associate Company		(1,147)	(46,267)	(41,068)	(95,032)
(Loss) / Profit Before Tax	14	<u>(404,669)</u>	<u>(345,008)</u>	<u>434,948</u>	<u>(527,299)</u>
Income Tax Expense	17	(12,704)	(7,527)	(20,615)	(13,021)
(Loss) / Profit for the period		<u>(417,373)</u>	<u>(352,535)</u>	<u>414,333</u>	<u>(540,320)</u>
Profit attributable to :					
Owners of the Company		(391,707)	(349,604)	369,492	(520,318)
Non-controlling interests		(25,666)	(2,931)	44,841	(20,002)
(Loss) / Profit for the period		<u>(417,373)</u>	<u>(352,535)</u>	<u>414,333</u>	<u>(540,320)</u>
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operation		20,690	(44,677)	306,929	(78,358)
Total Comprehensive (Loss) / Income for the period		<u>(396,683)</u>	<u>(397,212)</u>	<u>721,262</u>	<u>(618,678)</u>
Total comprehensive (loss) / income attributable to:					
Owners of the Company		(371,017)	(394,281)	676,421	(598,676)
Non-controlling interests		(25,666)	(2,931)	44,841	(20,002)
		<u>(396,683)</u>	<u>(397,212)</u>	<u>721,262</u>	<u>(618,678)</u>
Earnings per share attributable to owners of the Company (in sen)					
Basic EPS	27	-0.23	-0.20	0.25	-0.30

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

**NOTES TO CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

	Individual Quarter 3 months ended 30 June 2015	Cumulative 6 months ended 30 June 2015
	RM	RM
(a) Interest income	988	1,414
(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	(82)	(490)
(e) Gain / (Loss) on derivatives	n/a	n/a
(f) Interest expense	17,763	35,984
(g) Depreciation	81,874	163,894
(h) Amortization	372,852	708,811
(i) Provision for and write-off of receivables	12,215	1,069,638
(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 30 JUNE 2015

	Note	30 June 2015 (Unaudited) RM	31 December 2014 (Audited) RM
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		5,281,907	5,440,344
Investment Property		285,946	286,184
Goodwill and Other Intangible Assets		6,700,761	6,362,891
Investment in Associate Company		356,560	397,628
		<u>12,625,174</u>	<u>12,487,047</u>
Current Assets			
Trade and Other Receivables	22	3,756,058	3,491,635
Amount Owing by Associate Company		-	3,600
Current Tax Assets		47,292	34,553
Cash and Cash Equivalents	19	915,775	643,126
		<u>4,719,125</u>	<u>4,172,914</u>
TOTAL ASSETS		<u>17,344,299</u>	<u>16,659,961</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		292,832	(14,097)
(Accumulated Losses) / Retained Profits		(7,468,999)	(7,838,491)
Equity attributable to owners of the Company		<u>12,729,976</u>	<u>12,053,555</u>
Non-controlling Interests		89,793	44,952
TOTAL EQUITY		<u>12,819,769</u>	<u>12,098,507</u>
Non-Current Liabilities			
Term Loan	20	688,978	705,607
Hire Purchase Liabilities	20	-	-
Deferred Tax Liabilities		5,304	5,000
		<u>694,282</u>	<u>710,607</u>
Current Liabilities			
Term Loan	20	20,056	17,876
Hire Purchase Liabilities	20	-	7,077
Bank Overdraft	20	616,439	677,749
Trade and Other Payables	22	1,765,511	1,847,334
Amount due to director		730,514	671,836
Deferred revenue		697,728	628,975
		<u>3,830,248</u>	<u>3,850,847</u>
TOTAL LIABILITIES		<u>4,524,530</u>	<u>4,561,454</u>
TOTAL EQUITY AND LIABILITIES		<u>17,344,299</u>	<u>16,659,961</u>
Net assets per share attributable to owners of the Company (sen)		7.23	6.85

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 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 SECOND QUARTER ENDED 30 JUNE 2015

	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 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		-	-	-	(1,247,108)	(1,247,108)	(34,816)	(1,281,924)
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>(7,838,491)</u>	<u>12,053,555</u>	<u>44,952</u>	<u>12,098,507</u>
<i>Unaudited</i>								
At 1 January 2015		17,597,514	2,308,629	(14,097)	(7,838,491)	12,053,555	44,952	12,098,507
Net profit for the year		-	-	-	369,492	369,492	44,841	414,333
Other comprehensive loss Exchange translation differences		-	-	306,929	-	306,929	-	306,929
At 30 June 2015		<u>17,597,514</u>	<u>2,308,629</u>	<u>292,832</u>	<u>(7,468,999)</u>	<u>12,729,976</u>	<u>89,793</u>	<u>12,819,769</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 2014 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

Note	6 MONTHS ENDED 30 JUNE (UNAUDITED) 2015 RM	YEAR ENDED 31 DECEMBER (AUDITED) 2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	434,948	(1,254,231)
Adjustments for:-		
Depreciation of property, plant and equipment	163,656	337,577
Depreciation of investment property	238	477
Amortisation of software development costs	708,003	1,551,009
Amortisation of membership	808	1,616
Share of result of associates	41,068	102,541
Impairment loss on intangible assets	-	-
Bad debts written off	-	-
Property, plant and equipment written off	-	4,011
Allowance for doubtful debts	-	291,513
Allowance for doubtful debts written back	-	-
Unrealised (gain) / loss on foreign exchange	54,306	29,217
Gain on acquisition of subsidiary	-	-
Gain on disposal of subsidiary	-	-
Interest income	(1,414)	(389)
Interest expense	35,913	66,950
Hire purchase term charges	71	1,350
Operating (loss) / profit before working capital changes	<u>1,437,597</u>	<u>1,131,641</u>
Changes in software development costs	(791,892)	(1,381,786)
Receipts from customers	3,785,481	7,760,689
Changes in receivables	(4,034,809)	(7,478,748)
Payments to suppliers, contractors and employees	(1,868,309)	(5,543,671)
Changes in payables	1,791,326	5,299,202
Changes in deferred revenue	68,753	82,630
Cash used in operations	<u>388,147</u>	<u>(130,043)</u>
Interest received	1,414	389
Interest paid	(35,913)	(66,950)
Tax (paid) / refund	<u>(20,615)</u>	<u>(50,037)</u>
Net cash used in operating activities	<u>333,033</u>	<u>(246,641)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,349)	(180,737)
Net cash inflow from acquisition subsidiary	-	-
Proceeds from disposal of shares in subsidiary	-	-
Proceeds from disposal of other investment	-	-
Net cash used in investing activities	<u>(2,349)</u>	<u>(180,737)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	-	-
Share issuance expenses	-	-
Payment of term loan instalments	(14,449)	(16,966)
Payment of hire purchase instalments	(7,077)	(27,282)
Hire purchase term charges paid	(71)	(1,350)
Net cash (used in) / from financing activities	<u>(21,597)</u>	<u>(45,598)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	309,087	(472,976)
EFFECT OF CHANGES IN EXCHANGE RATES	24,872	10,280
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	(34,623)	428,073
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>299,336</u>	<u>(34,623)</u>
Represented by:		
CASH AND BANK BALANCES	915,775	643,126
BANK OVERDRAFT	<u>(616,439)</u>	<u>(677,749)</u>
	<u>299,336</u>	<u>(34,623)</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 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 2014 and the attached explanatory notes. The explanatory notes provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2014.

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 2014 except for the adoption of the following MFRSs and Amendments to MFRS which are applicable to the financial statements from 1 July 2014 as disclosed therein:

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)

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.

**Ygl Convergence Berhad (649013-W) (“Ygl” or “Group”)
Quarterly report for the second quarter ended 30 June 2015**

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

Effective for financial periods beginning on or after 1 January 2016

Amendments to MFRS 5	Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements to MFRSs 2012 - 2014 Cycle)
Amendments to MFRS 7	Financial Instruments: Disclosure (Annual Improvements to MFRSs 2012 – 2014 Cycle)
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Disclosure Initiative
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 119	Employee Benefits (Annual Improvements to MFRSs 2012 – 2014 Cycle)
Amendments to MFRS 117	Equity Method in Separate Financial Statements
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements to MFRSs 2012 – 2014 Cycle)

Effective for financial periods beginning on or after 1 January 2017

MFRS 15	Revenue from Contracts with Customers
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Effective for financial periods beginning on or after 1 January 2018

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
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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.

8. Segmental Information

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

	3 months ended 30 June		Cumulative 6 months ended 30 June	
	2015	2014	2015	2014
<u>Segment Revenue</u>				
Revenue from operations:				
Malaysia	798,400	1,261,831	2,576,676	3,659,896
Asia Pacific	450,595	616,018	1,176,797	1,273,916
Total revenue	1,248,995	1,877,849	3,753,473	4,933,812
Elimination of inter-segment sales	-	-	-	-
External sales	1,248,995	1,877,849	3,753,473	4,933,812
Interest revenue	988	98	1,414	142

	3 months ended 30 June		Cumulative 6 months ended 30 June	
	2015	2014	2015	2014
<u>Segment Results</u>				
Results from operations:				
Malaysia	(201,634)	26,916	431,069	(46,920)
Asia Pacific	(184,125)	(307,762)	80,931	(350,093)
	(385,759)	(280,846)	512,000	(397,013)
Finance cost	(17,763)	(17,895)	(35,984)	(35,254)
Share of associate's profit / (loss)	(1,147)	(46,267)	(41,068)	(95,032)
Tax expense	(12,704)	(7,527)	(20,615)	(13,021)
Non-controlling interests	25,666	2,931	(44,841)	20,002
Total results	(391,707)	(349,604)	369,492	(520,318)

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 2014.

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 August 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 RM1,248,995 which was a decrease of 33.5% as compared to a revenue of RM1,877,849 achieved in the preceding year corresponding quarter ended 30 June 2014. Gross profit for the quarter under review was RM53,669 as compared to gross profit of RM262,746 for the preceding year corresponding quarter which was a decrease of 79.6%. This was due to decrease in revenue recorded in the quarter under review.

Net loss from operations for the quarter under review was RM385,759 as compared to net loss from operations in the preceding year corresponding quarter ended 30 June 2014 of RM280,846 which was an increase of 37.4%. This was due to decrease in revenue recorded during the quarter under review.

Malaysia Segment

For the quarter under review, the Malaysia segment recorded a revenue of RM798,400 which was a decrease of 36.7% as compared to a revenue of RM1,261,831 achieved in the preceding year corresponding quarter ended 30 June 2014. Loss from operations for the quarter under review was RM201,634 as compared to profit from operations of RM26,916 for the preceding year corresponding quarter which was a decrease of 849.1%. This was due to decrease in revenue recorded in the quarter under review.

Asia Pacific Segment

For the quarter under review, the Asia Pacific segment recorded a revenue of RM450,595 which was a decrease of 26.9% as compared to a revenue of RM616,018 achieved in the preceding year corresponding quarter ended 30 June 2014. Loss from operations for the quarter under review was RM184,125 as compared to loss from operations of RM307,762 for the preceding year corresponding quarter which was a decrease of 40.2%. The decrease in loss from operations was due to alignment of sales mix focusing on higher margin products in the quarter under review.

Cumulative Quarters - Group

For the six months period ended 30 June 2015, Ygl Group recorded a revenue of RM3,753,473 representing a decrease of 23.9% as compared to a revenue of RM4,933,812 achieved in the six months period ended 30 June 2014. There was gross profit of RM1,250,114 for the six months period ended 30 June 2015 compared to gross profit of RM816,096 as achieved in the six months period ended 30 June 2014 which was an increase of 53.2%. The gross profit was due to sales of different product mix focusing on Ygl proprietary products with higher margin during the period.

Malaysia Segment

For the six months ended 30 June 2015, the Malaysia segment recorded a revenue of RM2,576,676 representing a decrease of 29.6% as compared to a revenue of RM3,659,896 achieved in the six months period ended 30 June 2014. Net profit from operations was RM431,069 for the six months period ended 30 June 2015 as compared to a loss of RM46,920 recorded in the six months period ended 30 June 2014. This was due to sales of different product mix with higher margin during the period.

Asia Pacific Segment

For the six months ended 30 June 2015, the Asia Pacific segment recorded a revenue of RM1,176,797 representing a decrease of 7.6% as compared to a revenue of RM1,273,916 achieved in the six months period ended 30 June 2014. There was net profit from operations was RM80,931 for the six months period ended 30 June 2015 as compared to a net loss of RM350,093 as recorded in the six months period ended 30 June 2014. The turnaround to profit from loss position was due to sale of different product mix with higher margin.

14. Material Changes in Profit Before Tax Against Preceding Quarter

There was a net loss before tax of RM449,669 for the quarter under review as compared to a net profit of RM839,617 recorded in the preceding first quarter ended 31 March 2015. The net loss position was due to less revenue recorded during the implementation period of GST (Goods and Services Tax) regime. During this period corporations GST compliance work and put on hold investment for enterprise solutions.

15. Corporate Proposals

There are no other corporate proposals announced but not completed as at the date of announcement other than set out below:-

On 15 July 2015, Bursa Malaysia Securities Berhad had approved the private placement proposal submitted by the Company on 12 June 2015 to issue new ordinary shares of RM0.10 each in Ygl of not more than 10% of its issued and paid-up share capital.

16. Prospects for 2015

The implementation of GST in Malaysia has enabled YGL to establish its position as a serious provider of enterprise solutions for the manufacturing and large distribution sectors. There are opportunities both in Malaysia and neighbouring countries for YGL enterprise solutions.

17. Taxation

	Current Quarter 30 June 2015 RM	Cumulative Quarter 30 June 2015 RM
Current tax expense		
Malaysian income tax	(11,637)	(19,395)
Foreign tax	(1,067)	(1,220)
	<u>(12,704)</u>	<u>(20,615)</u>
Deferred tax	-	-
Total income tax expense	<u>(12,704)</u>	<u>(20,615)</u>

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 30 June 2015 RM'000	As at 30 June 2014 RM'000
Cash and bank balances	915	532
Less: Overdraft	(616)	(654)
	<u>299</u>	<u>(122)</u>

20. Company Borrowings and Debt Securities

The Group's borrowings are as follows:

	As at 30 June 2015 RM	As at 30 June 2014 RM
<u>Payable within 12 months</u>		
Secured - Term Loan	20,056	17,684
Secured - Hire purchase liability	-	20,931
Secured - Bank Overdraft	616,439	654,076
	<u>636,495</u>	<u>692,691</u>
<u>Payable after 12 months</u>		
Secured - Term Loan	688,978	714,116
Secured - Hire purchase liability	-	-
	<u>688,978</u>	<u>714,116</u>
Total	<u>1,325,473</u>	<u>1,406,807</u>

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 August 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 30 June 2015 RM	As at 30 June 2014 RM
<u>Financial assets</u>		
Account receivables	2,425,826	2,355,565
Other receivables, prepayments and deposits paid	1,330,232	1,676,161
Cash and cash equivalents	917,775	532,333
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	4,673,833	4,564,059
	=====	=====

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

	As at 30 June 2015 RM	As at 30 June 2014 RM
<u>Financial liabilities at amortised cost</u>		
Account payables	614,930	1,033,801
Other payables, accruals and deposits received	1,150,581	1,459,167
Bank overdraft	616,439	654,076
Term loan	709,034	731,800
Hire purchase liabilities	-	20,931
Amount owing to directors	730,514	-
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	3,821,498	3,899,775
	=====	=====

All other financial instruments are carried at amounts not materially different from their fair values as at 30 June 2015.

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 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 30 June 2015	As at 30 June 2014
	RM	RM
Up to 90 days	1,227,604	1,258,826
>90 to 180 days	601,297	210,445
>180 to 360 days	23,840	481,364
>360 days	573,085	404,930
Total amount	2,425,826	2,355,565

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 second quarter ended 30 June 2015, 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 30 June		Cumulative 6 months ended 30 June	
	2015	2014	2015	2014
Profits/(Loss) for the period attributable to shareholders (RM)	(404,669)	(345,008)	434,948	(527,299)
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)	(0.23)	(0.20)	0.25	(0.30)

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 30 June 2015 RM	As at preceding financial year end 31 December 2014 RM
Total accumulated profits / (losses) of Ygl and its subsidiaries:		
Realised	(6,251,253)	(6,734,645)
Unrealised	(54,306)	(26,474)
	(6,305,559)	(6,761,119)
Total share of accumulated losses from associated company:		
Realised	(1,163,440)	(1,077,372)
Unrealised	-	-
	(7,468,999)	(7,838,491)
Less: Consolidation adjustments	-	-
Total group accumulated profits / (losses) as per consolidated accounts	(7,468,999)	(7,838,491)