

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

	Note	Individual Quarter 3 months ended 30 September		Cumulative Quarter 9 months ended 30 September	
		2015 RM	2014 RM	2015 RM	2014 RM
<b>Continuing Operations</b>					
Revenue	13	1,039,748	1,071,585	4,793,221	6,005,397
Cost of Sales		<u>(1,240,285)</u>	<u>(1,100,022)</u>	<u>(3,743,644)</u>	<u>(5,217,738)</u>
Gross (Loss) / Profit		(200,537)	(28,437)	1,049,577	787,659
Other Operating Income		25,714	34,820	84,299	71,663
Selling and Distribution Costs		(7,547)	16	(7,547)	(11,479)
Administrative Expenses		(155,833)	(135,572)	(417,614)	(491,259)
Other Operating Expenses		(318,136)	(308,596)	(853,054)	(1,191,366)
<b>(Loss) / Profit for the period from continuing operations</b>		<u>(656,339)</u>	<u>(437,769)</u>	<u>(144,339)</u>	<u>(834,782)</u>
Finance Costs		(17,641)	(18,242)	(53,625)	(53,496)
Gain on Financial Assets Measured at Fair Value	22	-	-	-	-
Share of Results of Associate Company		167,869	(74,964)	126,801	(169,996)
<b>(Loss) / Profit Before Tax</b>	14	<u>(506,111)</u>	<u>(530,975)</u>	<u>(71,163)</u>	<u>(1,058,274)</u>
Income Tax Expense	17	(16,640)	(5,969)	(37,255)	(18,990)
<b>(Loss) / Profit for the period</b>		<u>(522,751)</u>	<u>(536,944)</u>	<u>(108,418)</u>	<u>(1,077,264)</u>
<b>Profit attributable to :</b>					
Owners of the Company		(508,820)	(515,950)	(139,328)	(1,036,268)
Non-controlling interests		(13,931)	(20,994)	30,910	(40,996)
<b>(Loss) / Profit for the period</b>		<u>(522,751)</u>	<u>(536,944)</u>	<u>(108,418)</u>	<u>(1,077,264)</u>
<b>Other comprehensive income</b>					
Item that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operation		257,211	(44,677)	564,140	(78,358)
<b>Total Comprehensive (Loss) / Income for the period</b>		<u>(265,540)</u>	<u>(581,621)</u>	<u>455,722</u>	<u>(1,155,622)</u>
Total comprehensive (loss) / income attributable to:					
Owners of the Company		(251,609)	(560,627)	424,812	(1,114,626)
Non-controlling interests		(13,931)	(20,994)	30,910	(40,996)
		<u>(265,540)</u>	<u>(581,621)</u>	<u>455,722</u>	<u>(1,155,622)</u>
Earnings per share attributable to owners of the Company (in sen)					
Basic EPS	27	-0.28	-0.30	-0.04	-0.60

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 THIRD QUARTER ENDED 30 SEPTEMBER 2015**

	Individual Quarter 3 months ended 30 September 2015	Cumulative 9 months ended 30 September 2015
	RM	RM
(a) Interest income	2,947	4,361
(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	31	(459)
(e) Gain / (Loss) on derivatives	n/a	n/a
(f) Interest expense	17,641	53,625
(g) Depreciation	79,378	243,272
(h) Amortization	410,803	1,119,614
(i) Provision for and write-off of receivables	57,398	1,127,036
(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 SEPTEMBER 2015

	Note	30 September 2015 (Unaudited) RM	31 December 2014 (Audited) RM
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment		5,210,170	5,440,344
Investment Property		285,827	286,184
Goodwill and Other Intangible Assets		6,847,982	6,362,891
Investment in Associate Company		524,429	397,628
		<u>12,868,408</u>	<u>12,487,047</u>
<b>Current Assets</b>			
Trade and Other Receivables	22	3,413,998	3,491,635
Amount Owing by Associate Company		-	3,600
Current Tax Assets		28,936	34,553
Cash and Cash Equivalents	19	2,613,358	643,126
		<u>6,056,292</u>	<u>4,172,914</u>
<b>TOTAL ASSETS</b>		<u>18,924,700</u>	<u>16,659,961</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital		19,357,214	17,597,514
Share Premium, non-distributable		2,436,249	2,308,629
Exchange Translation, non-distributable		550,043	(14,097)
(Accumulated Losses) / Retained Profits		(7,977,819)	(7,838,491)
<b>Equity attributable to owners of the Company</b>		<u>14,365,687</u>	<u>12,053,555</u>
Non-controlling Interests		75,862	44,952
<b>TOTAL EQUITY</b>		<u>14,441,549</u>	<u>12,098,507</u>
<b>Non-Current Liabilities</b>			
Term Loan	20	683,816	705,607
Hire Purchase Liabilities	20	-	-
Deferred Tax Liabilities		5,000	5,000
		<u>688,816</u>	<u>710,607</u>
<b>Current Liabilities</b>			
Term Loan	20	20,311	17,876
Hire Purchase Liabilities	20	-	7,077
Bank Overdraft	20	625,504	677,749
Trade and Other Payables	22	1,777,199	1,847,334
Amount due to director		768,486	671,836
Deferred revenue		602,835	628,975
		<u>3,794,335</u>	<u>3,850,847</u>
<b>TOTAL LIABILITIES</b>		<u>4,483,151</u>	<u>4,561,454</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>18,924,700</u>	<u>16,659,961</u>
Net assets per share attributable to owners of the Company (sen)		7.94	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 THIRD QUARTER ENDED 30 SEPTEMBER 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
Issue of share capital - private placement		1,759,700	127,620	-	-	1,887,320	-	1,887,320
Net profit for the year		-	-	-	(139,328)	(139,328)	30,910	(108,418)
Other comprehensive loss Exchange translation differences		-	-	564,140	-	564,140	-	564,140
At 30 September 2015		<u>19,357,214</u>	<u>2,436,249</u>	<u>550,043</u>	<u>(7,977,819)</u>	<u>14,365,687</u>	<u>75,862</u>	<u>14,441,549</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 THIRD QUARTER ENDED 30 SEPTEMBER 2015

Note	9 MONTHS ENDED 30 SEPTEMBER (UNAUDITED)	YEAR ENDED 31 DECEMBER (AUDITED)
	2015 RM	2014 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(71,163)	(1,254,231)
Adjustments for:-		
Depreciation of property, plant and equipment	242,915	337,577
Depreciation of investment property	357	477
Amortisation of software development costs	1,119,614	1,551,009
Amortisation of membership	1,215	1,616
Share of result of associates	(126,801)	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	1,525	29,217
Gain on acquisition of subsidiary	-	-
Gain on disposal of subsidiary	-	-
Interest income	(4,361)	(389)
Interest expense	53,553	66,950
Hire purchase term charges	71	1,350
Operating (loss) / profit before working capital changes	1,216,925	1,131,641
Changes in software development costs	(1,138,043)	(1,381,786)
Receipts from customers	5,395,085	7,760,689
Changes in receivables	(4,994,928)	(7,478,748)
Payments to suppliers, contractors and employees	(2,884,147)	(5,543,671)
Changes in payables	2,605,806	5,299,202
Changes in deferred revenue	(26,140)	82,630
Cash used in operations	174,558	(130,043)
Interest received	4,361	389
Interest paid	(53,553)	(66,950)
Tax (paid) / refund	(37,255)	(50,037)
Net cash used in operating activities	88,111	(246,641)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(4,245)	(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	(4,245)	(180,737)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issue	1,887,320	-
Share issuance expenses	-	-
Payment of term loan instalments	(19,357)	(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	1,860,815	(45,598)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,944,681	(472,976)
<b>EFFECT OF CHANGES IN EXCHANGE RATES</b>	77,796	10,280
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	(34,623)	428,073
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	1,987,854	(34,623)
Represented by:		
<b>CASH AND BANK BALANCES</b>	2,613,358	643,126
<b>BANK OVERDRAFT</b>	(625,504)	(677,749)
	1,987,854	(34,623)

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 third quarter ended 30 September 2015**

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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 other than set out below:

On 22 September 2015, the Company announced the completion of the private placement with the listing and quotation for 17,597,000 new ordinary shares of RM0.10 each in Ygl on the ACE Market representing 10% of the issued and paid-up share capital of Ygl.

**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.

	<b>3 months ended 30 September</b>		<b>Cumulative 9 months ended 30 September</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<u>Segment Revenue</u>				
Revenue from operations:				
Malaysia	623,114	658,452	3,199,790	4,318,348
Asia Pacific	416,634	413,133	1,593,431	1,687,049
Total revenue	1,039,748	1,071,585	4,793,221	6,005,397
Elimination of inter-segment sales	-	-	-	-
External sales	1,039,748	1,071,585	4,793,221	6,005,397
Interest revenue	988	89	2,947	231

	<b>3 months ended 30 September</b>		<b>Cumulative 9 months ended 30 September</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<u>Segment Results</u>				
Results from operations:				
Malaysia	(526,432)	(190,529)	(64,755)	(237,449)
Asia Pacific	(129,907)	(247,240)	(79,584)	(597,333)
	(656,339)	(437,769)	(144,339)	(834,782)
Finance cost	(17,641)	(18,242)	(53,625)	(53,496)
Share of associate's profit / (loss)	167,869	(74,964)	126,801	(169,996)
Tax expense	(16,640)	(5,969)	(37,255)	(18,990)
Non-controlling interests	13,931	20,994	(30,910)	40,996
Total results	(508,820)	(515,950)	(139,328)	(1,036,268)



**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 November 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 RM1,039,748 which was a decrease of 3.0% as compared to a revenue of RM1,071,585 achieved in the preceding year corresponding quarter ended 30 September 2014. Gross loss for the quarter under review was RM200,537 as compared to gross loss of RM28,437 for the preceding year corresponding quarter which was an increase of 605.2%. This was due to the lower revenue recorded in the quarter under review and continuation in the amortization of research and development costs.

Net loss from operations for the quarter under review was RM656,339 as compared to net loss from operations in the preceding year corresponding quarter ended 30 September 2014 of RM437,769 which was an increase of 49.9%. This was due to the lower revenue recorded in the quarter under review and continuation in the amortization of research and development costs.

Malaysia Segment

For the quarter under review, the Malaysia segment recorded a revenue of RM623,114 which was a decrease of 5.4% as compared to a revenue of RM658,452 achieved in the preceding year corresponding quarter ended 30 September 2014. Loss from operations for the quarter under review was RM526,432 as compared to loss from operations of RM190,529 for the preceding year corresponding quarter which was an increase of 176.3%. This was due to the amortization of research and development costs and the lower than expected revenue in the quarter under review.

Asia Pacific Segment

For the quarter under review, the Asia Pacific segment recorded a revenue of RM416,634 which was an increase of 1.0% as compared to a revenue of RM413,133 achieved in the preceding year corresponding quarter ended 30 September 2014. Loss from operations for the quarter under review was RM129,907 as compared to loss from operations of RM247,240 for the preceding year corresponding quarter which was a decrease of 47.5%. The decrease in loss from operations was due to streamlining overheads as well as focusing on higher margin products in the quarter under review.

Cumulative Quarters - Group

For the nine months period ended 30 September 2015, Ygl Group recorded a revenue of RM4,793,221 representing a decrease of 20.2% as compared to a revenue of RM6,005,397 achieved in the nine months period ended 30 September 2014. There was gross profit of RM1,049,577 for the nine months period ended 30 September 2015 compared to gross profit of RM787,659 as achieved in the nine months period ended 30 September 2014 which was an increase of 33.3%. 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 nine months ended 30 September 2015, the Malaysia segment recorded a revenue of RM3,199,790 representing a decrease of 25.9% as compared to a revenue of RM4,318,348 achieved in the nine months period ended 30 September 2014. Net loss from operations was RM64,755 for the nine months period ended 30 September 2015 as compared to a loss of RM237,449 recorded in the nine months period ended 30 September 2014. This was due to sales of different product mix with higher margin during the period.

Asia Pacific Segment

For the nine months ended 30 September 2015, the Asia Pacific segment recorded a revenue of RM1,593,431 representing a decrease of 5.6% as compared to a revenue of RM1,687,049 achieved in the nine months period ended 30 September 2014. There was net loss from operations was RM79,584 for the nine months period ended 30 September 2015 as compared to a net loss of RM597,333 as recorded in the nine months period ended 30 September 2014. The decrease in net loss was due to streamlining overheads as well as focusing on higher margin product mix.

**14. Material Changes in Profit Before Tax Against Preceding Quarter**

There was a net loss before tax of RM506,111 for the quarter under review as compared to a net loss of RM404,669 recorded in the preceding second quarter ended 30 June 2015. The increase in net loss was due to lower revenue recorded as the potential customers were delaying their information technology investments due to worldwide economic outlook and the falling Malaysian currency.

**15. Corporate Proposals**

There are no other corporate proposals announced but not completed as at the date of announcement as at 25 November 2015 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

**16. Prospects for 2015 / 2016**

Businesses are facing challenging times against the backdrop of falling local currency value, rising operating costs and human capital shortages. Ygl still holds positive outlook for the growth of enterprise solutions and services as corporations are harnessing the strength of information technology to improve productivity and efficiency and increase revenue and constrain costs. YGL is establishing 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, as the cost of Ygl proprietary products are not susceptible to the rise in US Dollar against Malaysian Ringgit, as compared to the international enterprise software which are in US Dollar denomination.

**17. Taxation**

	<b>Current Quarter 30 September 2015 RM</b>	<b>Cumulative Quarter 30 September 2015 RM</b>
Current tax expense		
Malaysian income tax	(16,594)	(35,989)
Foreign tax	(46)	(1,266)
	<hr/>	<hr/>
	(16,640)	(37,255)
Deferred tax	-	-
Total income tax expense	<hr/> <hr/>	<hr/> <hr/>
	(16,640)	(37,255)

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 22 September 2015, the Company had raised approximately RM1.936 million which is entirely earmarked for working capital purposes. As at to date, Ygl has utilised approximately RM1.01 million.

**19. Cash and cash equivalents**

	<b>As at 30 September 2015 RM'000</b>	<b>As at 30 September 2014 RM'000</b>
Cash and bank balances	2,613	378
Less: Overdraft	(625)	(667)
	<hr/>	<hr/>
	1,988	(289)

**20. Company Borrowings and Debt Securities**

The Group’s borrowings are as follows:

	<b>As at 30 September 2015 RM</b>	<b>As at 30 September 2014 RM</b>
<u>Payable within 12 months</u>		
Secured - Term Loan	20,311	18,646
Secured - Hire purchase liability	-	16,443
Secured - Bank Overdraft	625,504	667,820
	<u>645,815</u>	<u>702,909</u>
 <u>Payable after 12 months</u>		
Secured - Term Loan	683,816	708,880
Secured - Hire purchase liability	-	-
	<u>683,816</u>	<u>708,880</u>
 Total	<u>1,329,631</u>	<u>1,411,789</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 November 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:

	<b>As at 30 September 2015 RM</b>	<b>As at 30 September 2014 RM</b>
<u>Financial assets</u>		
Account receivables	2,039,801	2,056,419
Other receivables, prepayments and deposits paid	1,374,197	1,374,760
Cash and cash equivalents	2,613,358	378,396
	<u>6,027,356</u>	<u>3,809,575</u>
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The Company has classified its financial liabilities in the following categories:

	<b>As at 30 September 2015</b>	<b>As at 30 September 2014</b>
	<b>RM</b>	<b>RM</b>
<u>Financial liabilities at amortised cost</u>		
Account payables	550,921	806,864
Other payables, accruals and deposits received	1,226,278	1,311,346
Bank overdraft	625,504	667,820
Term loan	704,127	727,526
Hire purchase liabilities	-	16,443
Amount owing to directors	768,486	-
	-----	-----
	<b>3,875,316</b>	<b>3,529,999</b>
	=====	=====

All other financial instruments are carried at amounts not materially different from their fair values as at 30 September 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:

	<b>As at 30 September 2015 RM</b>	<b>As at 30 September 2014 RM</b>
Up to 90 days	418,265	344,538
>90 to 180 days	724,490	720,155
>180 to 360 days	305,073	265,626
>360 days	591,973	726,100
Total amount	2,039,801	2,056,419

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 third quarter ended 30 September 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 September		Cumulative 9 months ended 30 September	
	2015	2014	2015	2014
Profits/(Loss) for the period attributable to shareholders (RM)	(506,111)	(530,975)	(71,163)	(1,058,274)
Weighted average number of ordinary shares in issue	180,844,447	175,975,140	180,844,447	175,975,140
Basic earnings/(loss) per share (sen)	(0.28)	(0.30)	(0.04)	(0.60)

**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 September 2015 RM	As at preceding financial year end 31 December 2014 RM
Total accumulated profits / (losses) of Ygl and its subsidiaries:		
Realised	(7,025,724)	(6,734,645)
Unrealised	(1,525)	(26,474)
	(7,027,249)	(6,761,119)
Total share of accumulated losses from associated company:		
Realised	(950,570)	(1,077,372)
Unrealised	-	-
	(7,977,819)	(7,838,491)
Less: Consolidation adjustments	-	-
Total group accumulated profits / (losses) as per consolidated accounts	(7,977,819)	(7,838,491)