

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

	Note	Individual Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
		2017 RM	2016 RM	2017 RM	2016 RM
Continuing Operations					
Revenue	13	1,278,063	966,920	5,440,398	4,891,070
Cost of Sales		<u>(723,703)</u>	<u>(980,475)</u>	<u>(4,113,201)</u>	<u>(3,649,224)</u>
Gross Profit / (Loss)		554,360	(13,555)	1,327,197	1,241,846
Other Operating Income		53,179	42,628	195,144	119,220
Selling and Distribution Costs		-	-	-	-
Administrative Expenses		(148,341)	(137,174)	(599,275)	(584,663)
Other Operating Expenses		<u>(359,510)</u>	<u>(284,915)</u>	<u>(1,668,663)</u>	<u>(1,187,460)</u>
(Loss) / Profit for the period from continuing operations		<u>99,688</u>	<u>(393,016)</u>	<u>(745,597)</u>	<u>(411,057)</u>
Finance Costs		(8,088)	(8,198)	(37,416)	(33,821)
Gain on Financial Assets Measured at Fair Value	22	-	-	-	-
Share of Results of Associate Company		97,426	24,898	423,189	183,291
(Loss) / Profit Before Tax	14	<u>189,026</u>	<u>(376,316)</u>	<u>(359,824)</u>	<u>(261,587)</u>
Income Tax Expense	17	(7,758)	(27,110)	(50,810)	(50,250)
(Loss) / Profit for the period		<u>181,268</u>	<u>(403,426)</u>	<u>(410,634)</u>	<u>(311,837)</u>
Profit attributable to :					
Owners of the Company		187,505	(404,360)	(328,984)	(295,293)
Non-controlling interests		(6,237)	934	(81,650)	(16,544)
(Loss) / Profit for the period		<u>181,268</u>	<u>(403,426)</u>	<u>(410,634)</u>	<u>(311,837)</u>
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operation		(51,724)	121,698	(116,323)	7,230
Total Comprehensive (Loss) / Income for the period		<u>129,544</u>	<u>(281,728)</u>	<u>(526,957)</u>	<u>(304,607)</u>
Total comprehensive (loss) / income attributable to:					
Owners of the Company		135,781	(282,662)	(445,307)	(288,063)
Non-controlling interests		(6,237)	934	(81,650)	(16,544)
		<u>129,544</u>	<u>(281,728)</u>	<u>(526,957)</u>	<u>(304,607)</u>
Earnings per share attributable to owners of the Company (in sen)					
Basic EPS	27	0.08	(0.22)	(0.14)	(0.16)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 2017**

	Individual Quarter 3 months ended 31 December 2017	Cumulative 12 months ended 31 December 2017
	RM	RM
(a) Interest income	6,388	18,008
(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	44	(1,237)
(e) Gain / (Loss) on derivatives	n/a	n/a
(f) Interest expense	8,088	37,416
(g) Depreciation	91,450	363,237
(h) Amortization	447,448	1,631,576
(i) Provision for and write-off of receivables	(215,724)	1,329,373
(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 2017

	Note	31 December 2017 (Unaudited) RM	31 December 2016 (Audited) RM
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		4,827,245	4,834,888
Investment Property		284,754	285,230
Goodwill and Other Intangible Assets		6,185,979	6,604,045
Investment in Associate Company		1,122,831	699,642
		<u>12,420,809</u>	<u>12,423,805</u>
Current Assets			
Trade and Other Receivables	22	4,024,787	3,962,471
Current Tax Assets		31,892	64,717
Cash and Cash Equivalents	19	5,568,381	1,097,656
		<u>9,625,060</u>	<u>5,124,844</u>
TOTAL ASSETS		<u>22,045,869</u>	<u>17,548,649</u>
EQUITY AND LIABILITIES			
Equity			
Share Capital		24,970,802	19,357,214
Share Premium, non-distributable		2,247,330	2,420,349
Exchange Translation, non-distributable		386,960	503,283
(Accumulated Losses) / Retained Profits		(8,661,690)	(8,332,706)
Equity attributable to owners of the Company		<u>18,943,402</u>	<u>13,948,140</u>
Non-controlling Interests		44,505	52,151
TOTAL EQUITY		<u>18,987,907</u>	<u>14,000,291</u>
Non-Current Liabilities			
Term Loan	20	635,420	658,060
Deferred Tax Liabilities		450	25,763
		<u>635,870</u>	<u>683,823</u>
Current Liabilities			
Trade and Other Payables	22	988,045	1,382,457
Amount due to director		645,538	667,436
Term Loan	20	21,672	20,529
Bank Overdraft	20	-	-
Deferred revenue		766,335	759,263
Current Tax Liabilities		502	34,850
		<u>2,422,092</u>	<u>2,864,535</u>
TOTAL LIABILITIES		<u>3,057,962</u>	<u>3,548,358</u>
TOTAL EQUITY AND LIABILITES		<u>22,045,869</u>	<u>17,548,649</u>
Net assets per share attributable to owners of the Company (sen)		8.16	7.71

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 2017

	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 2016		19,357,214	2,420,349	496,053	(8,037,413)	14,236,203	68,695	14,304,898
Net loss for the year		-	-	-	(295,293)	(295,293)	(16,544)	(311,837)
Other comprehensive income		-	-	7,230	-	7,230	-	7,230
Exchange translation differences								
At 31 December 2016		<u>19,357,214</u>	<u>2,420,349</u>	<u>503,283</u>	<u>(8,332,706)</u>	<u>13,948,140</u>	<u>52,151</u>	<u>14,000,291</u>
<i>Unaudited</i>								
At 1 January 2017		19,357,214	2,420,349	503,283	(8,332,706)	13,948,140	52,151	14,000,291
Issue of share capital								
- private placement		5,613,588	(173,019)	-	-	5,440,569	-	5,440,569
Net profit for the year		-	-	-	(328,984)	(328,984)	(7,646)	(336,630)
Other comprehensive loss		-	-	(116,323)	-	(116,323)	-	(116,323)
Exchange translation differences								
At 31 December 2017		<u>24,970,802</u>	<u>2,247,330</u>	<u>386,960</u>	<u>(8,661,690)</u>	<u>18,943,402</u>	<u>44,505</u>	<u>18,987,907</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 2016 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

	12 MONTHS ENDED 31 DECEMBER (UNAUDITED) 2017 RM	YEAR ENDED 31 DECEMBER (AUDITED) 2016 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(359,824)	(261,587)
Adjustments for:-		
Depreciation of property, plant and equipment	362,760	291,967
Depreciation of investment property	477	477
Amortisation of software development costs	1,631,576	1,611,377
Amortisation of membership	1,616	1,616
Share of result of associates	(423,189)	(183,291)
Impairment loss on intangible assets	-	-
Bad debts written off	51,438	-
Property, plant and equipment written off	-	24,329
Allowance for doubtful debts	325,800	-
Allowance for doubtful debts written back	-	-
Unrealised (gain) / loss on foreign exchange	18,778	(44,095)
Gain on acquisition of subsidiary	-	-
Gain on disposal of subsidiary	-	-
Interest income	(18,008)	(9,430)
Interest expense	37,416	33,820
Hire purchase term charges	-	-
Operating (loss) / profit before working capital changes	<u>1,628,840</u>	<u>1,465,183</u>
Changes in software development costs	(1,316,871)	(1,464,524)
Receipts from customers	4,132,857	4,507,033
Changes in receivables	(4,748,846)	(5,054,586)
Payments to suppliers, contractors and employees	(2,251,772)	(2,462,287)
Changes in payables	2,003,936	2,242,305
Changes in deferred revenue	7,072	89,292
Cash used in operations	<u>(544,784)</u>	<u>(677,584)</u>
Interest received	18,008	9,430
Interest paid	(37,416)	(33,820)
Tax (paid) / refund	(71,999)	(76,031)
Net cash used in operating activities	<u>(636,191)</u>	<u>(778,005)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(356,902)	(10,938)
Net cash inflow from acquisition subsidiary	(90,450)	-
Proceeds from disposal of shares in subsidiary	-	-
Proceeds from disposal of other investment	-	-
Net cash used in investing activities	<u>(447,352)</u>	<u>(10,938)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	5,611,224	-
Share issuance expenses	-	-
Payment of term loan instalments	(21,498)	(20,569)
Payment of hire purchase instalments	-	-
Hire purchase term charges paid	-	-
Net cash (used in) / from financing activities	<u>5,589,726</u>	<u>(20,569)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	4,506,183	(809,512)
EFFECT OF CHANGES IN EXCHANGE RATES	(35,458)	12,063
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	1,097,656	1,895,105
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>5,568,381</u>	<u>1,097,656</u>
Represented by:		
CASH AND BANK BALANCES	5,568,381	1,097,656
BANK OVERDRAFT	-	-
	<u>5,568,381</u>	<u>1,097,656</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 2016 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 2016.

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 2016 except for the adoption of the following MFRSs and Amendments to MFRS which are applicable to the financial statements as disclosed therein:

Standards effective for financial periods beginning on or after 1 January 2017

Amendments to MFRS 12	Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)
Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

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 is not expected to have significant impact to the financial statements of the Group.

Effective for financial periods beginning on or after 1 January 2018

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts (Amendments to MFRS 4)
MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
Clarifications to MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 128	Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

Effective for financial periods beginning on or after 1 January 2019

MFRS 16	Leases
Amendments to MFRS 3	Previously Held Interest in a Joint Operation (Business Combinations)
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 11	Previously Held Interest in a Joint Operation (Joint Arrangements)
Amendments to MFRS 112	Income Tax Consequences of Payments on Financial Instruments Classified as Equity
Amendments to MFRS 123	Borrowing Costs Eligible for Capitalisation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments

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 7 July 2017, the Company through private placement issued 38,714,400 new ordinary shares in Ygl on the ACE Market representing 20% of the issued and paid-up share capital of Ygl.

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 fourth quarter ended 31 December 2017**

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	
	2017	2016	2017	2016
<u>Segment Revenue</u>				
Revenue from operations:				
Malaysia	1,125,756	664,391	4,341,341	3,826,712
Asia Pacific	152,307	302,529	1,099,057	1,064,358
Total revenue	<u>1,278,063</u>	<u>966,920</u>	<u>5,440,398</u>	<u>4,891,070</u>
Elimination of inter-segment sales	-	-	-	-
External sales	<u>1,278,063</u>	<u>966,920</u>	<u>5,440,398</u>	<u>4,891,070</u>
Interest revenue	<u>6,388</u>	<u>1,143</u>	<u>18,008</u>	<u>9,430</u>

	3 months ended 31 December		Cumulative 12 months ended 31 December	
	2017	2016	2017	2016
<u>Segment Results</u>				
Results from operations:				
Malaysia	113,408	(270,287)	118,189	91,759
Asia Pacific	(13,720)	(122,729)	(863,786)	(502,816)
	<u>(99,688)</u>	<u>(393,016)</u>	<u>(745,597)</u>	<u>(411,057)</u>
Finance cost	(8,088)	(8,198)	(37,416)	(33,821)
Share of associate's profit / (loss)	97,426	24,898	423,189	183,291
Tax expense	(7,758)	(27,110)	(50,810)	(50,250)
Non-controlling interests	6,237	(934)	81,650	16,544
Total results	<u>(187,505)</u>	<u>(404,360)</u>	<u>(328,984)</u>	<u>(295,293)</u>

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 2016.

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 was a change in the composition of the Group as below:

Acquisition of Ygl Information Technology (Suzhou) Co.Ltd

The Company on 25 July 2017 through its wholly owned subsidiary, namely Ygl Convergence (HK) Limited (“Ygl HK”) had acquired 55% of the equity interest in Ygl Information Technology (Suzhou) Co. Ltd (“Ygl Suzhou”), a company incorporated in China, from the director for a cash consideration of CNY151,000 (equivalent to approximately RM97,166 based on exchange rate of CNY1:MYR0.6435).

The acquisition is to pave way for YGL Group to venture into the China market for its proprietary products and leverage on the expertise of Ygl HK as a contractor of software and technology for government and semi-government entities.

Net asset of Ygl Information Technology (Suzhou) Co. Ltd.	RM Nil
Consideration paid by cash	RM 97,166
Cash and cash equivalent of subsidiary on acquisition date	Nil
Net cash outflow of the Group	<u>97,166</u>

12. Changes in Contingent Liabilities

There is no contingent liability as at 26 February 2018 (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 RM1,278,063 which was an increase of 32.2% as compared to a revenue of RM966,920 achieved in the preceding year corresponding quarter ended 31 December 2016. Gross profit for the quarter under review was RM554,360 as compared to gross loss of RM13,555 for the preceding year corresponding quarter. This was due to higher sales recorded during the quarter under review whereas fixed overhead and development costs were incurred throughout the year.

Net profit from operations for the quarter under review was RM99,688 as compared to net loss from operations in the preceding year corresponding quarter ended 31 December 2016 of RM393,016. This was due to higher sales recorded during the quarter under review whereas fixed overhead and development costs were incurred throughout the year.

Malaysia Segment

For the quarter under review, the Malaysia segment recorded a revenue of RM1,125,756 which was an increase of 69.4% as compared to a revenue of RM664,391 achieved in the preceding year corresponding quarter ended 31 December 2016. Profit from operations for the quarter under review was RM113,408 as compared to loss from operations of RM270,287 for the preceding year corresponding quarter which was a turnaround of 141.9%. This was due to due to higher sales recorded during the quarter under review whereas fixed overhead and development costs were incurred throughout the year.

Asia Pacific Segment

For the quarter under review, the Asia Pacific segment recorded a revenue of RM152,307 which was a decrease of 49.7% as compared to a revenue of RM302,529 achieved in the preceding year corresponding quarter ended 31 December 2016. Loss from operations for the quarter under review was RM13,720 as compared to loss from operations of RM122,729 for the preceding year corresponding quarter which was a decrease of 88.8%. This was due to certain direct costs provisioning being charged out progressively in prior quarters.

Cumulative Quarters - Group

For the twelve months period ended 31 December 2017, Ygl Group recorded a revenue of RM5,440,398 representing an increase of 11.2% as compared to a revenue of RM4,891,070 achieved in the twelve months period ended 31 December 2016. There was gross profit of RM1,327,197 for the twelve months period ended 31 December 2017 compared to gross profit of RM1,241,846 as achieved in the twelve months period ended 31 December 2016 which was an increase of 6.9%. This was due to higher direct costs charged out for certain projects in Hong Kong and additional direct costs in Suzhou during the year.

Net loss from operations for the twelve months period under review was RM745,597 as compared to net loss from operations in the preceding year corresponding quarter ended 31 December 2016 of RM411,057. This was due to higher direct costs charged out for certain Hong Kong projects and additional direct costs in Suzhou.

Malaysia Segment

For the twelve months ended 31 December 2017, the Malaysia segment recorded a revenue of RM4,341,341 representing an increase of 13.5% as compared to a revenue of RM3,826,712 achieved in the twelve months period ended 31 December 2016. Net profit from operations was RM118,189 for the twelve months period ended 31 December 2017 representing an increase of 28.8% as compared to a net profit of RM91,759 recorded in the twelve months period ended 31 December 2016. The increase in net profit is consistent with the increase in turnover.

Asia Pacific Segment

For the twelve months ended 31 December 2017, the Asia Pacific segment recorded a revenue of RM1,099,057 representing an increase of 3.3% as compared to a revenue of RM1,064,358 achieved in the twelve months period ended 31 December 2016. There was net loss from operations was RM863,786 for the twelve months period ended 31 December 2017 as compared to a net loss of RM502,816 as recorded in the twelve months period ended 31 December 2016. The increase in net loss was due to higher direct costs charged out for certain Hong Kong projects and certain direct costs in Suzhou.

14. Material Changes in Profit Before Tax Against Preceding Quarter

There was a net loss before tax of RM359,824 for the quarter under review as compared to a net loss before tax of RM548,850 recorded in the preceding third quarter ended 30 September 2017. This was due to higher direct costs charged out for certain Hong Kong projects and additional costs in Suzhou in the preceding quarter. The additional costs in Ygl Suzhou were inevitable as it was a startup which the Group expects to contribute positively to the Group results.

15. Corporate Proposals

There are no other corporate proposals announced but not completed as at the date of announcement as at 26 February 2018 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

16. Prospects for 2018

The Malaysian segment has been profitable consistently for the past two years and Ygl proprietary products are in line with the world trend interest in Industry 4.0 and Internet of Things. Ygl is focusing on its Ygl e-Manufacturing and Ygl e-Corporate product line and also in the development of internet portals. As internet portals and Big Data are in demand all over the world, the Group is optimistic that these products will also help to improve Ygl operation overseas. Ygl product offerings which are denominated in Ringgit Malaysia are also attractive and competitive to its targeted customers which are the SMEs in both local and overseas markets.

17. Taxation

	Current Quarter 31 December 2017 RM	Cumulative Quarter 31 December 2017 RM
Current tax expense		
Malaysian income tax	32,414	75,083
Foreign tax	(2)	381
	<hr/> 32,412	<hr/> 75,464
Deferred tax	(24,654)	(24,654)
Total income tax expense	<hr/> 7,758	<hr/> 50,810

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 7 July 2017, the Company had raised approximately RM5.614 million which is earmarked for business expansion, R&D expenses and working capital purposes. As at to date, status of utilisation of the proceeds are as follows:

Details	Actual Utilisation RM'000	Expected Utilisation RM'000
1) Listing and placement expenses	173	180
2) Business expansion	97	2,700
3) R&D expenses	335	1,250
4) Working capital	745	1,484
5) Balance of proceed not yet utilised	4,264	-
Total proceeds arising from private placement	<hr/> 5,614	<hr/> 5,614

19. Cash and cash equivalents

	As at 31 December 2017 RM'000	As at 31 December 2016 RM'000
Cash and bank balances	5,568	1,098
Less: Overdraft	-	-
	5,568	1,098

20. Company Borrowings and Debt Securities

The Group's borrowings are as follows:

	As at 31 December 2017 RM	As at 31 December 2016 RM
<u>Payable within 12 months</u>		
Secured - Term Loan	21,672	20,529
Secured - Hire purchase liability	-	-
Secured - Bank Overdraft	-	-
	21,672	20,529
<u>Payable after 12 months</u>		
Secured - Term Loan	635,420	658,050
Secured - Hire purchase liability	-	-
	635,420	658,060
Total	657,092	678,589

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 26 February 2018 (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 2017	As at 31 December 2016
	RM	RM
<u>Financial assets</u>		
Account receivables	3,411,022	2,722,878
Other receivables, prepayments and deposits paid	613,765	1,239,593
Cash and cash equivalents	5,568,381	1,097,656
	-----	-----
	9,593,168	5,060,127
	=====	=====

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

	As at 31 December 2017	As at 31 December 2016
	RM	RM
<u>Financial liabilities at amortised cost</u>		
Account payables	240,040	313,579
Other payables, accruals and deposits received	748,005	1,068,878
Bank overdraft	-	-
Term loan	657,092	678,589
Hire purchase liabilities	-	-
Amount owing to directors	645,538	667,436
	-----	-----
	2,290,675	2,728,482
	=====	=====

All other financial instruments are carried at amounts not materially different from their fair values as at 31 December 2016.

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 31 December 2017 RM	As at 31 December 2016 RM
Up to 90 days	1,843,694	418,788
>90 to 180 days	352,260	1,166,743
>180 to 360 days	366,183	528,829
>360 days	848,885	608,518
Total amount	3,411,022	2,722,878

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 2017, 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.

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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	
	2017	2016	2017	2016
Profits/(Loss) for the period attributable to shareholders (RM)	187,505	(404,360)	(328,984)	(295,293)
Weighted average number of ordinary shares in issue	212,452,039	193,572,140	212,452,039	193,572,140
Basic earnings/(loss) per share (sen)	0.08	(0.22)	(0.14)	(0.16)

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 2017 RM	As at preceding financial year end 31 December 2016 RM
Total accumulated profits / (losses) of Ygl and its subsidiaries:		
Realised	(8,290,744)	(7,601,443)
Unrealised	(18,778)	44,095
	(8,309,522)	(7,557,348)
Total share of accumulated losses from associated company:		
Realised	(352,168)	(775,358)
Unrealised	-	-
	(8,661,690)	(8,332,706)
Less: Consolidation adjustments	-	-
Total group accumulated profits / (losses) as per consolidated accounts	(8,661,690)	(8,332,706)