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### General Announcement

Submitted by CS\_SECURITY SERVICES HOLDINGS PENANG on 24/08/2009 06:06:51 PM

Reference No CS-090824-7D50A

#### Submitting Investment Bank/Advisor (if applicable)

#### Submitting Secretarial Firm (if applicable)

Securities Services (Holdings) Sdn Bhd

#### Company name \*

YGL CONVERGENCE BERHAD

#### Stock name \*

YGL

#### Stock code \*

0086

#### Contact person \*

Thum Sook Fun

#### Designation \*

Company Secretary

#### Type \*

Announcement  Reply to query

#### Subject :\*

Ygl Convergence Berhad ("Ygl" or "the Company")  
- Recurrent Related Party Transaction of a Revenue or Trading  
Nature

Note: If the announcement is a long announcement, please summarize the announcement in the contents and enter the details of the announcement in the Announcement Details or attached the full details of the announcement as attachment.

#### Contents :-\*

*(This field is to be used for the summary of the announcement)*

Pursuant to Rule 10.08(1) and Rule 10.09 of the Listing Requirement of Bursa Malaysia Securities Berhad for ACE Market ("Listing Requirements"), the Company hereby announces that the Company's wholly-owned subsidiary, namely Ygl Convergence Malaysia Sdn Bhd has during second quarter of financial year 2009 entered into the recurrent related party transaction ("RRPT") of a revenue or trading nature which are necessary for the day to day operations of its subsidiary with the related party.

Please refer to the attached announcement for details of RRPT.

#### Announcement Details :-

*(This field is for the details of the announcement, if applicable)*

**Tables Section - This section is to be used to create and insert tables. Please make the appropriate reference to the table(s) in the Contents of the Announcement:**

**Attachment(s):- (please attach the attachments here)**



Ygl - attachment-RRPT.pdf

**YGL CONVERGENCE BERHAD (“YGL” or “the Company”)  
- Recurrent Related Party Transaction of a Revenue or Trading Nature (“RRPT”)**

**1. INTRODUCTION**

Pursuant to Rule 10.08(1) and Rule 10.09 of the Listing Requirement of Bursa Malaysia Securities Berhad for ACE Market (“Listing Requirements”), the Company hereby announces that the Company’s wholly-owned subsidiary, namely Ygl Convergence Malaysia Sdn Bhd has during second quarter of financial year 2009 entered into the recurrent related party transaction (“RRPT”) of a revenue or trading nature which are necessary for the day to day operations of its subsidiary with Paycomm Network Sdn Bhd (formerly known as TIME Reach Sdn Bhd), a person connected to the Company’s Director, Dato’ Muhammad Farid bin Haji Ahmad Ridhwan.

The RRPT involves a provision of business solution software, hardware and professional services by Ygl Convergence Malaysia Sdn Bhd to Paycomm Network Sdn Bhd.

The aggregate value of the above RRPT rendered by Ygl Convergence Malaysia Sdn Bhd to Paycomm Network Sdn Bhd amounted to RM337,071.00 only.

**2. DETAILS OF RRPT**

Ygl Convergence Malaysia Sdn Bhd is a 100% owned subsidiary of the Company. Ygl Convergence Malaysia Sdn Bhd principally involved in the provision of enterprise solutions for niche vertical industries.

The provision of business solution software, hardware and professional services by Ygl Convergence Malaysia Sdn Bhd to Paycomm Network Sdn Bhd is considered as RRPT by virtue of the following relationship:-

- (a) Paycomm Network Sdn Bhd is a wholly-owned subsidiary of Commerce Fusion Sdn Bhd which in turn is a wholly-owned subsidiary of Alif R&D Sdn Bhd.
- (b) Dato’ Muhammad Farid bin Haji Ahmad Ridhwan, an Independent Non-Executive Director of the Company, is also a director and shareholder of Alif R&D Sdn Bhd. Based on his equity interests of 99.9% held in Alif R&D Sdn Bhd, Dato’ Muhammad Farid bin Haji Ahmad Ridhwan is deemed interested in shares of Paycomm Network Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

However, Dato’ Muhammad Farid bin Haji Ahmad Ridhwan did not hold any equity interest of the Company as at 21 August 2009.

The total value of the above RRPT entered between Ygl Convergence Malaysia Sdn Bhd with Paycomm Network Sdn Bhd has exceeded the prescribed threshold of 1% of the applicable percentage ratio as stated in the Listing Requirements.

Dato' Muhammad Farid bin Haji Ahmad Ridhwan who is interested in the above RRPT has abstained and shall continue to abstain from all Board of Directors' deliberation and voting in the Company in respect of the above RRPT.

The above RRPT entered into by Ygl Convergence Malaysia Sdn Bhd with Paycomm Network Sdn Bhd are revenue/trading in nature which are necessary for day-to-day operations and in the ordinary course of business on terms which are not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholder of the Company.

### **3. FINANCIAL EFFECTS**

The RRPT will not have any effect on the issued and paid-up share capital and shareholdings of the substantial shareholders of Ygl.

The RRPT is not expected to have any significant effect on the consolidated net assets per share and gearing of Ygl for the financial year ending 31 December 2009.

The RRPT is not expected to have any material effect of the consolidated earnings and earnings per share of Ygl for the financial year ending 31 December 2009.

### **4. APPROVAL REQUIRED**

The RRPT is not subject to the approval of the shareholders and any other governmental authorities as the aggregate value of the above RRPT is below 5% of the percentage ratio stipulated in the Listing Requirements.

### **5. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM**

Save as disclosed above, none of the Directors and/or major shareholders of the Company and the Group and/or persons connected to them have any interest, direct or indirect, in the above RRPT.

**6. STATEMENT OF AUDIT COMMITTEE**

The Audit Committee of Ygl (other than the interested Director, Dato' Muhammad Farid bin Haji Ahmad Ridhwan who has abstained from voting and deliberation), having considered the rationale for the transactions, is of the opinion that the RRPT is:-

- (i) in the best interest of the Group;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interest of the minority shareholders of the Company.

with the basis of the view that the transactions were carried out at arm's length, on normal commercial terms, on terms not more favourable to the related parties than those generally available to the public and on terms not detrimental to our minority shareholders.

**7. DIRECTORS' STATEMENT**

Having considering all aspect of the RRPT, the Board of Ygl (other than the interested Director, Dato' Muhammad Farid bin Haji Ahmad Ridhwan who has abstained from voting and deliberation) is of the opinion that the RRPT is in the best interest of Ygl.

This announcement is dated 24<sup>th</sup> day of August, 2009.