

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

	Note	Individual Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
		2019 RM	2018 RM	2019 RM	2018 RM
<b>Continuing Operations</b>					
Revenue	13	850,442	1,230,656	850,442	1,230,656
Cost of Sales		(933,154)	(1,251,429)	(933,154)	(1,251,429)
Gross Profit / (Loss)		(82,712)	(20,773)	(82,712)	(20,773)
Other Operating Income		55,950	54,668	55,950	54,668
Selling and Distribution Costs		-	-	-	-
Administrative Expenses		(152,436)	(142,576)	(152,436)	(142,576)
Other Operating Expenses		(258,666)	(361,995)	(258,666)	(361,995)
<b>(Loss) / Profit for the period from continuing operations</b>		<b>(437,864)</b>	<b>(470,676)</b>	<b>(437,864)</b>	<b>(470,676)</b>
Finance Costs		(638)	(8,118)	(638)	(8,118)
Share of Results of Associate Company		61,784	130,739	61,784	130,739
<b>(Loss) / Profit Before Tax</b>	14	<b>(376,718)</b>	<b>(348,055)</b>	<b>(376,718)</b>	<b>(348,055)</b>
Income Tax Expense	17	(11,256)	(12,733)	(11,256)	(12,733)
<b>(Loss) / Profit for the period</b>		<b>(387,974)</b>	<b>(360,788)</b>	<b>(387,974)</b>	<b>(360,788)</b>
<b>Profit attributable to :</b>					
Owners of the Company		(370,457)	(338,740)	(370,457)	(338,740)
Non-controlling interests		(17,517)	(22,048)	(17,517)	(22,048)
<b>(Loss) / Profit for the period</b>		<b>(387,974)</b>	<b>(360,788)</b>	<b>(387,974)</b>	<b>(360,788)</b>
<b>Other comprehensive income</b>					
Item that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operation		2,734	(47,581)	2,734	(47,581)
<b>Total Comprehensive (Loss) / Income for the period</b>		<b>(385,240)</b>	<b>(408,369)</b>	<b>(385,240)</b>	<b>(408,369)</b>
<b>Total comprehensive (loss) / income attributable to:</b>					
Owners of the Company		(367,723)	(386,321)	(367,723)	(386,321)
Non-controlling interests		(17,517)	(22,048)	(17,517)	(22,048)
		<b>(385,240)</b>	<b>(408,369)</b>	<b>(385,240)</b>	<b>(408,369)</b>
<b>Earnings per share attributable to owners of the Company (in sen)</b>					
Basic EPS <sup>(iii)</sup>	28	-0.16	-0.15	-0.16	-0.15

**Notes:**

(i) The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statement for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

(ii) Based on 232,286,540 ordinary shares in issue as disclosed in Note 28.

## YGL CONVERGENCE BERHAD (649013-W)

NOTES TO CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

	Individual Quarter 3 months ended 31 March 2019	Cumulative 3 months ended 31 March 2019
	RM	RM
(a) Interest income	9,520	9,520
(b) Other income including investment income	22,429	22,429
(c) Gain / (Loss) on disposal of quoted / unquoted investment or properties	n/a	n/a
(d) Gain / (Loss) on foreign exchange	(13)	(13)
(e) Gain / (Loss) on derivatives	n/a	n/a
(f) Interest expense	638	638
(g) Depreciation	83,288	83,288
(h) Amortization	352,307	352,307
(i) Provision for and write-off of receivables	-	-
(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 MARCH 2019

	Note	31 March 2019 (Unaudited) RM	31 December 2018 (Audited) RM
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment		4,441,836	4,521,992
Investment Property		284,158	284,277
Goodwill and Other Intangible Assets		6,039,562	5,992,077
Investment in Associate Company		1,652,723	1,590,939
		<u>12,418,279</u>	<u>12,389,285</u>
<b>Current Assets</b>			
Trade and Other Receivables	23	1,595,479	1,997,611
Current Tax Assets		-24,316	24,316
Cash and Cash Equivalents	19	4,045,861	4,581,191
		<u>5,665,656</u>	<u>6,603,118</u>
<b>TOTAL ASSETS</b>		<u>18,083,935</u>	<u>18,992,403</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital		27,218,132	27,218,132
Exchange Translation, non-distributable (Accumulated Losses) / Retained Profits		466,387 (11,321,588)	463,653 (10,951,131)
<b>Equity attributable to owners of the Company</b>		<u>16,362,931</u>	<u>16,730,654</u>
Non-controlling Interests		61,774	79,291
<b>TOTAL EQUITY</b>		<u>16,424,705</u>	<u>16,809,945</u>
<b>Non-Current Liabilities</b>			
Term Loan	20	-	-
Deferred Tax Liabilities		310	310
		<u>310</u>	<u>310</u>
<b>Current Liabilities</b>			
Trade and Other Payables	23	193,449	458,799
Other Liabilities		300,756	337,413
Contract Liabilities	22	546,303	764,631
Amount due to director		615,649	616,000
Current Tax Liabilities		2,763	5,305
		<u>1,658,920</u>	<u>2,182,148</u>
<b>TOTAL LIABILITIES</b>		<u>1,659,230</u>	<u>2,182,458</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>18,083,935</u>	<u>18,992,403</u>
Net assets per share attributable to owners of the Company (sen) <sup>(ii)</sup>		7.04	7.20

Notes:

(i) The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

(ii) Based on 232,286,540 ordinary shares in issue as disclosed in Note 28.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

Note	3 MONTHS ENDED 31 MARCH (UNAUDITED) 2019 RM	YEAR ENDED 31 DECEMBER (AUDITED) 2018 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(376,718)	(2,121,247)
Adjustments for:-		
Depreciation of property, plant and equipment	83,169	354,044
Depreciation of investment property	119	476
Amortisation of software development costs	352,307	1,503,016
Amortisation of membership	404	1,616
Share of result of associates	(61,784)	(468,108)
Impairment loss on intangible assets	-	-
Bad debts written off	-	-
Property, plant and equipment written off	-	-
Allowance for doubtful debts	-	399,047
Allowance for doubtful debts written back	-	-
Unrealised (gain) / loss on foreign exchange	(1,700)	742,606
Gain on acquisition of subsidiary	-	-
Gain on disposal of subsidiary	-	-
Dividend income	(22,429)	(86,148)
Interest income	(9,520)	(35,015)
Interest expense	638	31,735
Hire purchase term charges	-	-
Operating (loss) / profit before working capital changes	(35,514)	322,022
Receipts from customers	756,758	5,005,670
Changes in receivables	(508,761)	(3,130,925)
Payments to suppliers, contractors and employees	(707,314)	(2,415,079)
Changes in payables	564,630	1,948,522
Changes in contract liabilities	(218,328)	(1,705)
Cash used in operations	(148,529)	1,728,505
Interest received	9,520	35,015
Interest paid	(638)	(31,735)
Tax (paid) / refund	(11,256)	(62,938)
Net cash used in operating activities	(150,903)	1,668,847
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,500)	(50,878)
Changes in software development costs	(401,911)	(2,048,517)
Net cash outflow from acquisition subsidiary	(800)	-
Proceeds from disposal of shares in subsidiary	-	-
Proceeds from other investment	22,429	86,147
Net cash used in investing activities	-382,782	-2,013,248
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issue	1,000	10,695
Share issuance expenses	-	-
Payment of term loan instalments	-	(657,092)
Payment of hire purchase instalments	-	-
Hire purchase term charges paid	-	-
Net cash (used in) / from financing activities	1,000	(646,397)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(532,685)	(990,798)
<b>EFFECT OF CHANGES IN EXCHANGE RATES</b>	(2,645)	3,608
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	4,581,191	5,568,381
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<u>4,045,861</u>	<u>4,581,191</u>
Represented by:		
<b>CASH AND BANK BALANCES</b>	4,045,861	4,581,191
<b>BANK OVERDRAFT</b>	-	-
	<u>4,045,861</u>	<u>4,581,191</u>

## Notes:

(i) The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

(ii) Included in cash and bank balances of the Group is investment in money market fund managed by licensed financial institution and is subject to minimal risk.

## 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 2018 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 2018.

### 2. Significant Accounting Policies

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 2018 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 2019

MFRS 16	Leases
Amendments to MFRS 3	Annual Improvements to MFRS Standards 2015 – 2017 Cycle
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 11	Annual Improvements to MFRS Standards 2015 – 2017 Cycle
Amendments to MFRS 112	Annual Improvements to MFRS Standards 2015 – 2017 Cycle
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 123	Annual Improvements to MFRS Standards 2015 – 2017 Cycle
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
IC Interpretation 23	Uncertainty over Income Tax Treatments

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 2020

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101	Definition of Material
Amendments to MFRS 108	Definition of Material
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to IC Interpretation 132	Intangible Assets – Web Site Costs

Effective for financial periods beginning on or after 1 January 2021

MFRS 17	Insurance Contracts
Amendments to MFRS 10 and MFRS 128 (deferred until further notice)	Sales or Contribution of Assets between an Investor and Its Associate or Joint Venture

**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 quarter under review.

7. Dividend Paid

No dividends were paid in the current quarter under review.

8. Segmental Information

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

	3 months Ended 31 March		Cumulative 3 months ended 31 March	
	2019 RM	2018 RM	2019 RM	2018 RM
<u>Segment Revenue</u>				
Revenue from operations:				
Malaysia	675,523	708,828	675,523	708,828
Asia Pacific	174,919	521,828	174,919	521,828
Total revenue	850,442	1,230,656	850,442	1,230,656
Elimination of inter-segment sales	-	-	-	-
External sales	850,442	1,230,656	850,442	1,230,656
Interest revenue	9,520	7,404	9,520	7,404

	3 months ended 31 March		Cumulative 3 months ended 31 March	
	2019 RM	2018 RM	2019 RM	2018 RM
<u>Segment Results</u>				
Results from operations:				
Malaysia	(288,922)	(462,798)	(288,922)	(462,798)
Asia Pacific	(148,942)	(7,878)	(148,942)	(7,878)
	(437,864)	(470,676)	(437,864)	(470,676)
Finance cost	(638)	(8,118)	(638)	(8,118)
Share of associate's profit / (loss)	61,784	130,739	61,784	130,739
Tax expense	(11,256)	(12,733)	(11,256)	(12,733)
Non-controlling interests	17,517	22,048	17,517	22,048
Total results	(370,457)	(338,740)	(370,457)	(338,740)

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 2018.

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 NS Infotech Sdn Bhd

On 7 March 2019, the Company announced that it has incorporated a subsidiary, namely NS Infotech Sdn Bhd, a private company limited by shares in Malaysia under the Company Act, 2016 on 6 March 2019. The Company acquired 80% equity in the subsidiary for a consideration of RM800. The subsidiary will allow the Company to expand its product and service offerings to a wider market and create new revenue stream for the Group.

Net asset of NS Infotech Sdn Bhd	RM Nil
	<hr/>
Consideration paid by cash	RM 800
Cash and cash equivalent of subsidiary on acquisition date	Nil
Net cash outflow of the Group	<hr/> <hr/> 800

#### 12. Changes in Contingent Liabilities

There is no contingent liability as at 27 May 2019 (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 RM850,442 which was a decrease of 30.9% as compared to a revenue of RM1,230,656 achieved in the preceding year corresponding quarter ended 31 March 2018. Gross loss for the quarter under review was RM82,712 as compared to gross loss of RM20,773 for the preceding year corresponding quarter. This was due to lower revenue recorded for the quarter under review.

Net loss from operations for the quarter under review was RM437,864 which was a decrease of 7.0% as compared to net loss from operations of RM470,676 in the preceding year corresponding quarter ended 31 March 2018. The net loss from operations for both comparative quarters was due to low revenue recorded amidst fixed direct overheads.

##### Malaysia Segment

For the quarter under review, the Malaysia segment recorded a revenue of RM675,523 which was a decrease of 4.7% as compared to a revenue of RM708,828 achieved in the preceding year corresponding quarter ended 31 March 2018. Loss from operations for the quarter under review was RM288,922 as compared to loss from operations of RM462,798 for the preceding year corresponding quarter ended 31 March 2018. This was due to lower direct costs charged out for certain projects and provisions made during the quarter under review as compared to preceding year corresponding quarter.

Asia Pacific Segment

For the quarter under review, the Asia Pacific segment recorded a revenue of RM174,919 which was a decrease of 66.5% as compared to a revenue of RM521,828 achieved in the preceding year corresponding quarter ended 31 March 2018. Loss from operations for the quarter under review was RM148,942 as compared to loss from operations of RM7,878 for the preceding year corresponding quarter ended 31 March 2018. This was due to lower revenue recorded and higher direct costs charged out for certain Hong Kong projects in the current quarter.

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

There was a net loss before tax of RM376,718 for the quarter under review as compared to a net loss before tax of RM717,706 recorded in the preceding year fourth quarter ended 31 December 2018. This was due to higher direct costs incurred for the projects and year end provisions made in the preceding quarter.

**15. Corporate Proposals**

There are no other corporate proposals announced but not completed as at the date of announcement as at 27 May 2019 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

**16. Prospects for 2019**

Ygl anticipates more small and medium sized enterprises (SMEs) in Malaysia to adopt technology in 2019 in line with the Malaysian Government’s National Policy on Industry 4.0 (Industry4WRD) which offers assistance in the forms of grants and low interest loans for investment in technology such as manufacturing enterprise software, Business Analytics, Internet of Things (IoT) and Robotics.

This initiative is in line with Ygl expertise and products offerings such as Ygl e-Manufacturing software, the business analytics tools and internet portal products.

**17. Taxation**

	3 months		Cumulative 3 months	
	Ended 31 March		ended 31 March	
	2019	2018	2019	2018
	RM	RM	RM	RM
Current tax expense				
Malaysian income tax	11,256	12,733	11,256	12,733
Foreign tax	-	-	-	-
	<u>11,256</u>	<u>12,733</u>	<u>11,256</u>	<u>12,733</u>
Deferred tax expense	-	-	-	-
Total income tax expense	<u>11,256</u>	<u>12,733</u>	<u>11,256</u>	<u>12,733</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

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	263	2,700
3) R&D expenses	1,020	1,250
4) Working capital	1,300	1,484
5) Balance of proceed not yet utilised	2,858	-
Total proceeds arising from private placement	<u>5,614</u>	<u>5,614</u>

19. Cash and cash equivalents

	3 months Ended 31 March		Cumulative 3 months ended 31 March	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Cash and bank balances	4,046	5,237	4,046	5,237
Less: Overdraft	-	-	-	-
	<u>4,046</u>	<u>5,237</u>	<u>4,046</u>	<u>5,237</u>

20. Company Borrowings and Debt Securities

The Group's borrowings are as follows:

	3 months Ended 31 March		Cumulative 3 months ended 31 March	
	2019 RM	2018 RM	2019 RM	2018 RM
<u>Payable within 12 months</u>				
Secured - Term Loan	-	23,445	-	23,445
<u>Payable after 12 months</u>				
Secured - Term Loan	-	628,229	-	628,229
Total	<u>-</u>	<u>651,674</u>	<u>-</u>	<u>651,674</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 27 May 2019 (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. Contract Liabilities

Contract liabilities comprising technical support income received in advance from customers are as follows:

	3 months Ended 31 March		Cumulative 3 months ended 31 March	
	2019 RM	2018 RM	2019 RM	2018 RM
Contract liabilities	546,303	538,351	546,303	538,351

23. Financial Instruments

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

	3 months Ended 31 March		Cumulative 3 months ended 31 March	
	2019 RM	2018 RM	2019 RM	2018 RM
<u>Financial assets</u>				
Account receivables	1,397,156	3,022,146	1,397,156	3,022,146
Other receivables, prepayments and deposits paid	198,323	384,299	198,323	384,299
Cash and cash equivalents	4,045,861	5,236,619	4,045,861	5,236,619
	<u>5,641,340</u>	<u>8,643,064</u>	<u>5,641,340</u>	<u>8,643,064</u>

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

	3 months Ended 31 March		Cumulative 3 months ended 31 March	
	2019 RM	2018 RM	2019 RM	2018 RM
<u>Financial liabilities at amortised cost</u>				
Account payables	27,285	146,947	27,285	146,947
Other payables, accruals and deposits received	466,920	586,552	466,920	586,552
Bank overdraft	-	-	-	-
Term loan	-	651,674	-	651,674
Amount owing to directors	615,649	644,372	615,649	644,372
	<u>1,109,854</u>	<u>2,029,545</u>	<u>1,109,854</u>	<u>2,029,545</u>

All other financial instruments are carried at amounts not materially different from their fair values as at 31 December 2018.

#### 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:

	3 months		Cumulative 3 months	
	Ended 31 March		ended 31 March	
	2019	2018	2019	2018
	RM	RM	RM	RM
Up to 90 days	285,433	415,486	285,433	415,486
>90 to 180 days	744,627	1,635,586	744,627	1,635,586
>180 to 360 days	367,096	369,036	367,096	369,036
>360 days	-	602,037	-	602,037
Total amount	1,397,156	3,022,145	1,397,156	3,022,145

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 4.75% over expected five years of repayment. The discounted amounts arisen from inter-company advances were eliminated in the consolidation of accounts at group level.

**24. Significant Related Party Transactions**

For the first quarter ended 31 March 2019, there was no significant related party transaction entered by the Group.

**25. 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.

**26. Profit Estimate/Forecast**

Not applicable.

**27. Dividend**

The Board did not declare any dividend payments for the current financial quarter under review.

**28. 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 March		Cumulative 3 months ended 31 March	
	2019	2018	2019	2018
Profits/(Loss) for the period attributable to Owners of the Company (RM)	(370,457)	(338,740)	(370,457)	(338,740)
Weighted average number of ordinary shares in issue	232,286,540	232,286,540	232,286,540	232,286,540
Basic earnings/(loss) per share (sen)	(0.16)	(0.15)	(0.16)	(0.15)