

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED 30 JUNE 2020**

	Note	Individual Quarter 3 months ended 30 June		Cumulative Quarter 3 months ended 30 June	
		2020 RM	2019 RM	2020 RM	2019 RM
Continuing Operations					
Revenue	13	892,472	1,708,998	892,472	-
Cost of Sales		<u>(1,023,555)</u>	<u>(945,933)</u>	<u>(1,023,555)</u>	<u>-</u>
Gross Profit / (Loss)		(131,083)	763,065	(131,083)	-
Other Operating Income		62,867	46,958	62,867	-
Selling and Distribution Costs		(13,793)	-	(13,793)	-
Administrative Expenses		(113,770)	(166,708)	(113,770)	-
Other Operating Expenses		(512,193)	(287,357)	(512,193)	-
(Loss) / Profit for the period from continuing operations		<u>(707,972)</u>	<u>355,958</u>	<u>(707,972)</u>	<u>-</u>
Finance Costs		(474)	-	(474)	-
Share of Results of Associate Company		-	63,146	-	-
(Loss) / Profit Before Tax	14	<u>(708,446)</u>	<u>419,104</u>	<u>(708,446)</u>	<u>-</u>
Income Tax Expense	17	(21,536)	(16,884)	(21,536)	-
(Loss) / Profit for the period		<u>(729,982)</u>	<u>402,220</u>	<u>(729,982)</u>	<u>-</u>
Profit attributable to :					
Owners of the Company		(716,019)	413,304	(716,019)	-
Non-controlling interests		(13,963)	(11,084)	(13,963)	-
(Loss) / Profit for the period		<u>(729,982)</u>	<u>402,220</u>	<u>(729,982)</u>	<u>-</u>
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operation		32,465	(4,076)	32,465	-
Total Comprehensive (Loss) / Income for the period		<u>(697,517)</u>	<u>398,144</u>	<u>(697,517)</u>	<u>-</u>
Total comprehensive (loss) / income attributable to:					
Owners of the Company		(683,554)	409,228	(683,554)	-
Non-controlling interests		(13,963)	(11,084)	(13,963)	-
		<u>(697,517)</u>	<u>398,144</u>	<u>(697,517)</u>	<u>-</u>
Earnings per share attributable to owners of the Company (in sen)					
Basic EPS ⁽ⁱⁱ⁾	28	(0.28)	0.18	(0.28)	-

Notes:

(i) The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statement for the financial period ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

(ii) Based on weighted average of 255,514,540 ordinary shares in issue as disclosed in Note 28. The comparative figure was based on 232,286,540 ordinary shares in issue at that time.

NOTES TO CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED 30 JUNE 2020

	Individual Quarter 3 months ended 30 June 2020 <u>RM</u>	Cumulative 3 months ended 30 June 2020 <u>RM</u>
(a) Interest income	2,987	2,987
(b) Other income including investment income	35,703	35,703
(c) Gain / (Loss) on disposal of quoted / unquoted investment or properties	n/a	n/a
(d) Gain / (Loss) on foreign exchange	nil	nil
(e) Gain / (Loss) on derivatives	n/a	n/a
(f) Interest expense	474	474
(g) Depreciation	115,708	115,708
(h) Amortization	369,668	369,668
(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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	Note	30 June 2020 (Unaudited) RM	30 March 2020 (Audited) RM
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		4,023,493	4,095,056
Right-of-use asset		14,580	58,715
Investment Property		283,561	283,681
Goodwill and Other Intangible Assets		3,521,060	3,616,507
Investment in Associate Company		-	-
		<u>7,842,694</u>	<u>8,053,959</u>
Current Assets			
Trade and Other Receivables	23	1,198,442	1,785,261
Current Tax Assets		8,225	7,528
Cash and Cash Equivalents	19	4,815,958	4,959,225
		<u>6,022,625</u>	<u>6,752,014</u>
TOTAL ASSETS		<u>13,865,319</u>	<u>14,805,973</u>
EQUITY AND LIABILITIES			
Equity			
Share Capital		30,400,368	30,400,368
ESOS Reserve		154,110	154,110
Exchange Translation, non-distributable (Accumulated Losses) / Retained Profits		671,439	638,974
		<u>(19,173,271)</u>	<u>(18,457,252)</u>
Equity attributable to owners of the Company		12,052,646	12,736,200
Non-controlling Interests		<u>(295,294)</u>	<u>(281,331)</u>
TOTAL EQUITY		<u>11,757,352</u>	<u>12,454,869</u>
Non-Current Liabilities			
Term Loan	20	-	-
Deferred Tax Liabilities		136	32
		<u>136</u>	<u>32</u>
Current Liabilities			
Trade and Other Payables	23	279,393	345,316
Other Liabilities		487,595	429,718
Contract Liabilities	22	697,466	875,295
Amount due to director		617,105	617,274
Lease liabilities		15,039	60,560
Current Tax Liabilities		11,233	22,909
		<u>2,107,831</u>	<u>2,351,072</u>
TOTAL LIABILITIES		<u>2,107,967</u>	<u>2,351,104</u>
TOTAL EQUITY AND LIABILITIES		<u>13,865,319</u>	<u>14,805,973</u>
Net assets per share attributable to owners of the Company (sen) ⁽ⁱⁱ⁾		4.72	4.98

Notes:

(i) The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

(ii) Based on weighted average of 255,514,540 ordinary shares in issue as disclosed in Note 28. The comparative figure was based on 255,514,540 ordinary shares in issue at that time.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2020

	Note	Share Capital RM	Exchange Translation Reserve RM	ESOS Reserve RM	Accumulated Losses RM	Total RM	Non-controlling Interests RM	Total Equity RM
<i>Audited</i>								
At 1 January 2019 (restated)		27,218,132	463,653	192,734	(11,143,865)	16,730,654	79,291	16,809,945
Foreign currency translation differences for foreign operations		-	342,242	-	-	342,242	94,794	437,036
Realisation upon deconsolidation of a foreign subsidiary		-	(166,921)	-	-	-166,921	-	(166,921)
Total other comprehensive income		-	175,321	-	-	175,321	94,794	270,115
Net loss for the financial period		-	-	-	(7,352,011)	(7,352,011)	(87,944)	(7,439,955)
Total comprehensive loss		-	175,321	-	(7,352,011)	(7,176,690)	6,850	(7,169,840)
Issue of share capital - private placement		3,182,236	-	-	-	3,182,236	-	3,182,236
Non-controlling interests		-	-	-	-	-	(367,472)	(367,472)
Share-based payment transaction		-	-	(38,624)	38,624	-	-	-
At 31 March 2020		30,400,368	638,974	154,110	(18,457,252)	12,736,200	(281,331)	12,454,869
<i>Unaudited</i>								
At 1 April 2020		30,400,368	638,974	154,110	(18,457,252)	12,736,200	-281,331	12,454,869
Net loss for the year		-	-	-	(716,019)	-716,019	(13,963)	(729,982)
Other comprehensive loss Exchange translation differences		-	32,465	-	-	32,465	-	32,465
At 30 June 2020		30,400,368	671,439	154,110	(19,173,271)	12,052,646	-295,294	11,757,352

Notes:

(i) The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statement for the financial period ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2020

Note	3 MONTHS ENDED 30 JUNE (UNAUDITED) 2020 RM	PERIOD ENDED 31 MARCH (AUDITED) 2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(708,446)	(7,315,376)
Adjustments for:-		
Depreciation of property, plant and equipment	71,563	402,498
Depreciation of investment property	119	596
Depreciation of right-of-use asset	44,026	210,213
Amortisation of software development costs	369,264	2,001,675
Amortisation of membership	404	2,020
Share of result of associates	-	115,939
Impairment loss on investment in associate	-	1,475,000
Impairment loss on intangible assets	-	1,234,146
Impairment loss on trade receivables	341,450	638,482
Bad debts written off	-	13,257
Waiver of debts	-	(7,263)
Goodwill written off	-	1,038,592
Property, plant and equipment written off	-	39,527
Allowance for doubtful debts written back	-	-
Unrealised (gain) / loss on foreign exchange	(700)	-
Gain on acquisition of subsidiary	-	-
Gain on disposal of subsidiary	-	-
Loss on deconsolidation of subsidiary	-	17,193
Dividend income	(20,703)	(85,046)
Interest income	(2,987)	(26,939)
Interest expense	-	638
Lease liabilities interest	474	10,629
Operating (loss) / profit before working capital changes	94,464	(234,219)
Receipts from customers	898,316	4,051,143
Changes in receivables	(681,199)	(4,547,838)
Payments to suppliers, contractors and employees	(684,902)	(4,164,593)
Changes in payables	674,118	4,125,229
Changes in contract liabilities	(177,829)	110,641
Cash used in operations	122,968	(659,637)
Interest received	2,987	26,939
Interest paid	-	(638)
Tax (paid) / refund	(21,536)	(90,465)
Net cash used in operating activities	104,419	(723,801)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(15,147)
Changes in software development costs	(271,829)	(1,816,490)
Net cash outflow from investment of subsidiary	-	(54,518)
Proceeds from disposal of shares in subsidiary	-	-
Proceeds from other investment	20,703	85,046
Net cash used in investing activities	(251,126)	(1,801,109)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividened paid to non-controlling interest	-	(20,000)
Proceeds from share issue	-	3,182,236
Share issuance expenses	-	-
Proceeds from share issue in subsidiary	-	200
Payment of lease liabilities	-	(205,710)
Lease liabilities interest	(474)	(10,629)
Net cash (used in) / from financing activities	(474)	2,946,097
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(147,181)	421,187
EFFECT OF CHANGES IN EXCHANGE RATES	3,914	(43,153)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	4,959,225	4,581,191
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>4,815,958</u>	<u>4,959,225</u>
Represented by:		
CASH AND BANK BALANCES	4,815,958	4,959,225
BANK OVERDRAFT	-	-
	<u>4,815,958</u>	<u>4,959,225</u>

Notes:

(i) The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial period ended 31 March 2020 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 period ended 31 March 2020 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 period ended 31 March 2020.

The current quarter results will be compared to the results of the preceding year corresponding quarter accordingly but there will be no comparison figures for the cumulative quarters as the Company had changed its previous financial period from 31 December 2019 to 31 March 2020 which comprised of a fifteen (15) months' period against the 12 months' period for current financial year.

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 period ended 31 March 2020 and the following MFRSs applicable to the current period, except for the adoption of those MFRSs and Amendments to MFRS which are yet applicable to the financial statements as disclosed therein:

Standards effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9 (effective 17 August 2020)
Amendments to MFRS 7	Financial Instruments: Disclosures (Interest Rate Benchmark Reform)
Amendments to MFRS 9	Financial Instruments (Interest Rate Benchmark Reform)
Amendments to MFRS 16	Covid-19-Related Rent Concessions (effective 1 June 2020)
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement (Interest Rate Benchmark Reform)
Amendments to MFRS 101	Definition of Material
Amendments to MFRS 108	Definition of Material

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 2021

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
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Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 1	Annual Improvements to NFRS Standards 2018 -2020
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 9	Annual Improvements to MFRS Standards 2018 -2020
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract

Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Amendments to MFRS 17
Amendments to MFRS 101 (deferred until further notice)	Classification of Liabilities as Current or Non-current

2. Auditors’ Report of Preceding Annual Financial Statements

The auditors’ report of the preceding financial year was not subject to any qualification.

3. Seasonality or Cyclicity of Interim Operations

The business of the Group was not affected by any significant seasonal or cyclical factors.

4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items in the financial statements in the current financial quarter under review.

5. Material Changes in Estimates

There were no changes in estimates that have had a material effect in the current financial quarter under review.

6. Issues, Repurchases and Repayment of Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the current financial quarter under review.

7. Dividend Paid

No dividends were paid in the current quarter under review.

8. Segmental Information

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

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2020 RM	2019 RM	2020 RM	2019 RM
<u>Segment Revenue</u>				
Revenue from operations:				
Malaysia	747,371	1,510,773	747,371	-
Asia Pacific	145,101	198,225	145,101	-
Total revenue	892,472	1,708,998	892,472	-
Elimination of inter-segment sales	-	-	-	-
External sales	892,472	1,708,998	892,472	-
Interest revenue	2,987	3,891	2,987	-

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2020 RM	2019 RM	2020 RM	2019 RM
<u>Segment Results</u>				
Results from operations:				
Malaysia	(545,527)	492,845	(545,527)	-
Asia Pacific	(162,445)	(136,887)	(162,445)	-
	(707,972)	355,958	(707,972)	-
Finance cost	(474)	-	(474)	-
Share of associate's profit / (loss)	-	63,146	-	-
Tax expense	(21,536)	(16,884)	(21,536)	-
Non-controlling interests	13,963	11,084	13,963	-
Total results	(716,019)	413,304	(716,019)	-

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 period ended 31 March 2020.

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 are no changes in the composition of the Group for the quarter under review.

12. Changes in Contingent Liabilities

There is no contingent liability as at 24 August 2020 (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 RM892,472 which was a decrease of 48.8% as compared to a revenue of RM1,708,998 achieved in the preceding year corresponding quarter ended 30 June 2019. There was a gross loss of RM131,083 for the quarter under review as compared to gross profit of RM763,065 for the preceding year corresponding quarter. This was due lower revenue recorded against fixed direct costs during the quarter under review.

Net loss from operations for the quarter under review was RM707,972 as compared to net profit of RM355,958 in the preceding year corresponding quarter ended 30 June 2019. This was due to lower revenue recorded during the quarter under review,

Malaysia Segment

For the quarter under review, the Malaysia segment recorded a revenue of RM747,371 which was a decrease of 50.5% as compared to a revenue of RM1,510,773 achieved in the preceding year corresponding quarter ended 30 June 2019. Net loss from operations for the quarter under review was RM545,527 as compared to net profit from operations of RM492,845 for the preceding year corresponding quarter ended 30 June 2019. This was due to lower revenue recorded during the quarter under review.

Asia Pacific Segment

For the quarter under review, the Asia Pacific segment recorded a revenue of RM145,101 which was a decrease of 26.8% as compared to a revenue of RM198,225 achieved in the preceding year corresponding quarter ended 30 June 2019. Net loss from operations for the quarter under review was RM162,445 as compared to net loss from operations of RM136,887 for the preceding year corresponding quarter ended 30 June 2019. There was lower revenue recorded during the current quarter under review.

Impact of Covid-19 Coronavirus (“Covid-19”)

The lower revenue recorded during this quarter reflected the impact of Covid-19 which persisted from March 2020 and beyond June 2020. The looming uncertainty put the economy into paralysis and social unease both locally and oversea. Local market sentiment hit rock bottom as businesses tightened spending and preserved liquidity. The Hong Kong government shut down and deferred its projects while Singapore’s market was extremely cautious with minimal market demand.

Ygl is still maintaining its direct workforce as support services are ongoing and new sales trickled in. The market is cash strapped but local businesses are becoming more receptive towards digitalisation. Ygl is upgrading its solutions to cloud based and developing e-commerce applications for businesses to adopt post Covid-19. which emphasis is contact free e-commerce and automation environment.

14. Material Changes in Profit Before Tax Against Preceding Quarter

There was a net loss before tax of RM708,446 for the quarter under review as compared to a net loss before tax of RM5,714,806 recorded in the preceding fifth quarter ended 31 March 2020. This was due to the Company’s writing off investment in overseas subsidiaries namely Ygl Convergence (Asia Pacific) Pte Ltd and Ygl Convergence (China) Ltd resulting in impairment and goodwill written off amounting to RM2,273,008 and provisions for impairment including investment in associate of RM1,475,000 during the preceding year end quarter.

15. Corporate Proposals

There are no other corporate proposals announced but not completed as at the date of announcement as at 24 August 2020 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

16. Prospects for 2020

The Covid-19 pandemic forced business organisations to transform their business models and adopt technology to stay connected and meet market demand under the “new normal” environment. Remote access and automation of business processes became the key to business resilience under the threat of potential second and third wave of coronavirus.

It is high time now businesses adopt cloud-based solutions, e-commerce and automation of manufacturing and warehousing processes to support their operations. Ygl will leverage on its ERP background to offers web-based solutions and e-commerce over the cloud.

17. Taxation

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2020 RM	2019 RM	2020 RM	2019 RM
Current tax expense				
Malaysian income tax	8,856	16,884	8,856	-
Foreign tax	12,680	-	12,680	-
	<u>21,536</u>	<u>16,884</u>	<u>21,536</u>	<u>-</u>
Deferred tax expense	-	-	-	-
Total income tax expense	<u>21,536</u>	<u>16,884</u>	<u>21,536</u>	<u>-</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

Upon completion of the private placement exercise undertaken by the Company on 3 March 2020, the Company had raised approximately RM3.182 million which is earmarked for business expansion, R&D expenses and working capital purposes. As at to date, proceeds from the utilisation has been fully utilised as follows:

Details	Actual Utilisation RM'000	Expected Utilisation RM'000
1) Listing and placement expenses	82	90
2) Business expansion	-	1,000
3) R&D expenses	250	1,000
4) Working capital	497	1,092
5) Balance of proceed not yet utilised	2,353	-
Total proceeds arising from private placement	<u>3,182</u>	<u>3,182</u>

19. Cash and cash equivalents

	As at 30 June 2020 RM	As at 30 June 2019 RM
Cash and bank balances	4,815,958	3,678,610
Less: Overdraft	-	-
	<u>4,815,958</u>	<u>3,678,610</u>

20. Company Borrowings and Debt Securities

The Group's borrowings are as follows:

	As at 30 June 2020 RM	As at 30 June 2019 RM
<u>Payable within 12 months</u>		
Secured - Term Loan	-	-
<u>Payable after 12 months</u>		
Secured - Term Loan	-	-
Total	<u>-</u>	<u>-</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 24 August 2020 (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:

	As at 30 June 2020 RM	As at 30 June 2019 RM
Contract liabilities	697,466	584,867

23. Lease Liabilities

Lease liabilities arisen from the two year lease of office as follows:

	As at 30 June 2020 RM	As at 30 June 2019 RM
Lease liabilities	15,039	-

24. Financial Instruments

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

	As at 30 June 2020 RM	As at 30 June 2019 RM
<u>Financial assets</u>		
Account receivables	1,105,473	2,234,589
Other receivables, prepayments and deposits paid	92,969	201,671
Cash and cash equivalents	4,815,958	3,678,610
	<u>6,014,400</u>	<u>6,114,870</u>

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

	As at 30 June 2020 RM	As at 30 June 2019 RM
<u>Financial liabilities at amortised cost</u>		
Account payables	40,754	28,104
Other payables, accruals and deposits received	726,234	479,713
Bank overdraft	-	-
Term loan	-	-
Amount owing to directors	617,105	592,096
	<u>1,384,093</u>	<u>1,099,913</u>

All other financial instruments are carried at amounts not materially different from their fair values as at 31 March 2020.

Financial Risk Management Objectives and Policies

The Group’s operating, investing and financing activities expose it to currency risk, interest rate risk, price risk, credit risk and liquidity risk. The chief executive office, supported by the management team, assesses and makes recommendations to the board for risk management purposes. The methods used to assess financial risks include statistical analysis and financial models. The Board has identified the following financial risk management objectives and policies:

- a) To minimize the group’s exposure to foreign currency exchange rates and future cash flow risks;
- b) To accept reasonable level of price risk and credit risk that commensurate with the expected returns of the underlying operations and activities; and
- c) To minimize liquidity risk by proper cash flow planning, management and control.

The Group’s risk management policies include:

- a) Credit controls which include evaluation, acceptance, monitoring and feedback to ensure reasonable credit worthy customers are accepted; and
- b) Money market instruments, short term deposits and bank overdrafts to manage liquidity risk.

The Group does not have a formal policy on future or exchange contracts or hedge activities as foreign currency transactions are dealt directly by the respective overseas subsidiary companies.

There have been no significant changes on the Group’s exposure to financial risks from the previous year. Neither have there been any changes to the Group’s risk management objectives and policies from the previous year.

The Group does not deal in any derivative financial instruments in the quarter under review as such there was no derivative financial instrument reported and no other comprehensive income reported in the financial statements in the quarter under review except those that were of loans and receivables in nature.

Trade Receivables

Aging analysis of financial assets:

	As at 30 June 2020 RM	As at 30 June 2019 RM
Up to 90 days	388,476	1,530,034
>90 to 180 days	523,179	193,508
>180 to 360 days	46,201	260,042
>360 days	147,617	251,005
Total amount	1,105,473	2,234,589

Under the “expected credit loss model” of MFRS 9, impairment allowance for financial assets will be recognised at an amount equal to the 12-month expected credit losses which are weighted by the probability that a loss will occur in the next 12 months. Adequate impairment losses have been allowed for these financial assets.

25. Significant Related Party Transactions

For the first quarter ended 30 June 2020, there was no significant related party transaction entered by the Group.

26. 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.

27. Profit Estimate/Forecast

Not applicable.

28. Dividend

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

29. Earnings Per Share

The basic earnings per share of the Group is calculated by dividing the net profit for the period by the weighted average number of ordinary shares.

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2020	2019	2020	2019
Profits/(Loss) for the period attributable to Owners of the Company (RM)	(716,019)	413,304	(716,019)	-
Weighted average number of ordinary shares in issue	255,514,540	232,286,540	255,514,540	-
Basic earnings/(loss) per share (sen)	(0.28)	0.18	(0.28)	-