

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE FIRST QUARTER ENDED 30 JUNE 2021**

	Note	Individual Quarter 3 months ended 30 June		Cumulative Quarter 3 months ended 30 June	
		2021 RM	2020 RM	2021 RM	2020 RM
<b>Continuing Operations</b>					
Revenue	14	1,675,938	892,472	1,675,938	892,472
Cost of Sales		<u>(836,498)</u>	<u>(837,831)</u>	<u>(836,498)</u>	<u>(837,831)</u>
Gross Profit / (Loss)		839,440	54,641	839,440	54,641
Other Operating Income		42,248	62,867	42,248	62,867
Selling and Distribution Costs		(15,913)	(13,793)	(15,913)	(13,793)
Administrative Expenses		(404,813)	(299,494)	(404,813)	(299,494)
Other Operating Expenses		(387,992)	(512,193)	(387,992)	(512,193)
<b>(Loss) / Profit for the period from continuing operations</b>		<u>72,970</u>	<u>(707,972)</u>	<u>72,970</u>	<u>(707,972)</u>
Finance Costs		(4,233)	(474)	(4,233)	(474)
Share of Results of Associate Company		(24,285)	-	(24,285)	-
<b>(Loss) / Profit Before Tax</b>	15	<u>44,452</u>	<u>(708,446)</u>	<u>44,452</u>	<u>(708,446)</u>
Income Tax Expense	18	(29,598)	(21,536)	(29,598)	(21,536)
<b>(Loss) / Profit for the period</b>		<u>14,854</u>	<u>(729,982)</u>	<u>14,854</u>	<u>(729,982)</u>
<b>Profit attributable to :</b>					
Owners of the Company		(23,951)	(716,019)	(23,951)	(716,019)
Non-controlling interests		38,805	(13,963)	38,805	(13,963)
<b>(Loss) / Profit for the period</b>		<u>14,854</u>	<u>(729,982)</u>	<u>14,854</u>	<u>(729,982)</u>
<b>Other comprehensive income</b>					
Item that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operation		(648,251)	32,465	(648,251)	32,465
<b>Total Comprehensive (Loss) / Income for the period</b>		<u><b>(633,397)</b></u>	<u><b>(697,517)</b></u>	<u><b>(633,397)</b></u>	<u><b>(697,517)</b></u>
Total comprehensive (loss) / income attributable to:					
Owners of the Company		(672,202)	(683,554)	(672,202)	(683,554)
Non-controlling interests		38,805	(13,963)	38,805	(13,963)
		<u>(633,397)</u>	<u>(697,517)</u>	<u>(633,397)</u>	<u>(697,517)</u>
Earnings per share attributable to owners of the Company (in sen)					
Basic EPS <sup>(ii)</sup>	30	(0.01)	(0.28)	(0.01)	(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 2021 and the accompanying explanatory notes attached to the interim financial statements.

**NOTES TO CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE FIRST QUARTER ENDED 30 JUNE 2021**

	Individual Quarter 3 months ended 30 June 2021 <u>RM</u>	Cumulative 3 months ended 30 June 2021 <u>RM</u>
(a) Interest income	246	246
(b) Other income including investment income	21,817	21,817
(c) Gain / (Loss) on disposal of quoted / unquoted investment or properties	n/a	n/a
(d) Gain / (Loss) on foreign exchange	21,775	21,775
(e) Gain / (Loss) on derivatives	n/a	n/a
(f) Interest expense	4,233	4,233
(g) Depreciation	74,212	74,212
(h) Amortization	353,544	353,544
(i) Provision for and write-off of receivables	-	-
(j) Provision for and write-off of inventories	-	-
(k) Exceptional item	-	-

n/a denotes not applicable

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

	Note	30 June 2021 (Unaudited) RM	30 March 2021 (Audited) RM
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment		3,767,862	4,027,546
Right-of-use asset		-	-
Investment Property		283,084	283,204
Goodwill and Other Intangible Assets		3,056,199	3,011,636
Investment in Associate Company		1,699,693	1,723,978
		<u>8,806,838</u>	<u>9,046,364</u>
<b>Current Assets</b>			
Trade and Other Receivables	26	3,632,395	2,601,731
Inventory	25	67,742	-
Current Tax Assets		28,545	15,770
Cash and Cash Equivalents	20	3,637,098	3,423,610
		<u>7,365,780</u>	<u>6,041,111</u>
<b>TOTAL ASSETS</b>		<u>16,172,618</u>	<u>15,087,475</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital		30,400,368	30,400,368
ESOS Reserve		189,207	152,172
Exchange Translation, non-distributable (Accumulated Losses) / Retained Profits		82,018	730,269
		<u>(18,287,275)</u>	<u>(18,263,324)</u>
<b>Equity attributable to owners of the Company</b>		12,384,318	13,019,485
Non-controlling Interests		(190,990)	(229,795)
<b>TOTAL EQUITY</b>		<u>12,193,328</u>	<u>12,789,690</u>
<b>Non-Current Liabilities</b>			
Lease Liabilities	24	-	-
Deferred Tax Liabilities		-	-
		<u>-</u>	<u>-</u>
<b>Current Liabilities</b>			
Trade and Other Payables	26	1,332,407	471,040
Other Liabilities		230,051	360,196
Contract Liabilities	23	958,157	862,223
Amount due to director		592,096	592,096
Lease liabilities	24	-	-
Bank overdraft	20	863,995	-
Current Tax Liabilities		2,584	12,230
		<u>3,979,290</u>	<u>2,297,785</u>
<b>TOTAL LIABILITIES</b>		<u>3,979,290</u>	<u>2,297,785</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>16,172,618</u>	<u>15,087,475</u>
Net assets per share attributable to owners of the Company (sen) <sup>(ii)</sup>		4.85	5.10

**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 2021 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2021

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 April 2020	30,400,368	638,974	154,110	(18,457,252)	12,736,200	(281,331)	12,454,869
Foreign currency translation differences for foreign operations	-	97,658	-	-	97,658	(4,813)	92,845
Realisation upon deconsolidation of a foreign subsidiary	-	(6,363)	-	-	-6,363	-	(6,363)
Total other comprehensive income	-	91,295	-	-	91,295	(4,813)	86,482
Net profit for the financial period	-	-	-	191,990	191,990	14,542	206,532
Total comprehensive loss	-	91,295	-	191,990	283,285	9,729	293,014
Deconsolidation of subsidiaries	-	-	-	-	-	41,807	41,807
Non-controlling interests	-	-	-	-	-	-	-
Share-based payment transaction	-	-	(1,938)	1,938	-	-	-
At 31 March 2021	30,400,368	730,269	152,172	(18,263,324)	13,019,485	(229,795)	12,789,690
<i>Audited</i>							
At 1 April 2021	30,400,368	730,269	152,172	(18,263,324)	13,019,485	-229,795	12,789,690
Net profit/(loss) for the year	-	-	-	(23,951)	-23,951	38,805	14,854
Other comprehensive loss							
Exchange translation differences	-	(648,251)	-	-	(648,251)	-	(648,251)
Share-based payment transaction	-	-	37,035	-	37,035	-	37,035
Deconsolidation effect	-	-	-	-	-	-	-
At 31 June 2021	30,400,368	82,018	189,207	(18,287,275)	12,384,318	-190,990	12,193,328

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2021

Note	3 MONTHS ENDED 31 JUNE (UNAUDITED) 2021 RM	PERIOD ENDED 31 MARCH (AUDITED) 2021 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	44,452	341,235
Adjustments for:-		
Depreciation of property, plant and equipment	74,093	294,224
Depreciation of investment property	119	477
Depreciation of right-of-use asset	-	56,709
Amortisation of software development costs	353,140	1,551,375
Amortisation of membership	404	2,020
Share of result of associates	24,285	(248,978)
(Write back) / Impairment loss on investment in associate	-	(1,475,000)
(Write back) / Impairment loss on trade receivables	-	(76,623)
Impairment loss on intangible assets	-	64,211
Impairment loss on trade receivables	-	78,229
Bad debts written off	-	350,171
ESOS expense	47,370	-
Goodwill written off	-	-
Property, plant and equipment written off	-	14
Realised (gain) / loss on foreign exchange	-	-
Unrealised (gain) / loss on foreign exchange	(247)	77
Gain on acquisition of subsidiary	-	-
Gain on disposal of subsidiary	-	-
Gain on deconsolidation of subsidiary	-	(64,194)
Dividend income	(11,317)	(59,492)
Interest income	(246)	(7,479)
Interest expense	4,233	-
Lease liabilities interest	-	610
Operating (loss) / profit before working capital changes	<u>536,286</u>	<u>807,586</u>
Receipts from customers	2,721,455	4,920,394
Changes in receivables	(5,992,745)	(6,095,048)
Payments to suppliers, contractors and employees	(3,184,411)	(4,654,244)
Changes in payables	4,744,775	4,933,724
Changes in contract liabilities	95,934	(5,389)
Cash used in operations	<u>(1,078,706)</u>	<u>(92,977)</u>
Interest received	246	7,479
Interest paid	(4,233)	-
Tax (paid) / refund	(29,598)	(153,656)
Net cash used in operating activities	<u>(1,112,291)</u>	<u>(239,154)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(16,245)	(226,728)
Changes in software development costs	(398,002)	(1,010,499)
Net cash outflow from disposal of subsidiary	-	(134,060)
Proceeds from disposal of shares in subsidiary	-	-
Proceeds from other investment	11,317	59,492
Net cash used in investing activities	<u>(402,930)</u>	<u>(1,311,795)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividened paid to non-controlling interest	-	-
Proceeds from share issue	-	-
Deconsolidation of subsidiary	-	-
Proceeds from share issue in subsidiary	863,995	-
Payment of lease liabilities	-	(58,491)
Lease liabilities interest	-	(610)
Net cash (used in) / from financing activities	<u>863,995</u>	<u>(59,101)</u>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(651,226)	(1,610,050)
<b>EFFECT OF CHANGES IN EXCHANGE RATES</b>	719	74,435
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	3,423,610	4,959,225
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<u>2,773,103</u>	<u>3,423,610</u>
Represented by:		
<b>CASH AND BANK BALANCES</b>	3,637,098	3,423,610
<b>BANK OVERDRAFT</b>	(863,995)	-
	<u>2,773,103</u>	<u>3,423,610</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 2021 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 2021 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 2021.

**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 March 2021 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 2021

Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9 (effective 17 August 2020)
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2
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

Effective for financial periods beginning on or after 1 April 2021

Amendments to MFRS 16	Leases (Covid-19-Related Rent Concessions beyond 30 June 2021)
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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 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

Amendments to MFRS 101	Presentation of Financial Statements (Disclosure of Accounting Policies)
Amendments to MFRS Practice Statement 2	Making Material Judgements
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current – Deferral of Effective Date
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

**3. Auditors’ Report of Preceding Annual Financial Statements**

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

**4. Seasonality or Cyclicity of Interim Operations**

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

**5. 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.

**6. Material Changes in Estimates**

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

**7. 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.

**8. Dividend Paid**

No dividends were paid in the current quarter under review.

## 9. Segmental Information

Segmental information was provided for the operations in software implementation and solar installation.

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2021 RM	2020 RM	2021 RM	2020 RM
<u>Segment Revenue</u>				
Revenue from operations:				
Software Implementation	1,304,058	890,972	1,304,058	890,972
Solar Installation	371,880	1,500	371,880	1,500
Total revenue	1,675,938	892,472	1,675,938	892,472
Elimination of inter-segment sales	-	-	-	-
External sales	1,675,938	892,472	1,675,938	892,472
Interest revenue	246	2,987	246	2,987

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2021 RM	2020 RM	2021 RM	2020 RM
<u>Segment Results</u>				
Results from operations:				
Software Implementation	(33,399)	(698,984)	(33,399)	(698,984)
Solar Installation	106,369	(8,988)	106,369	(8,988)
	72,970	(707,972)	72,970	(707,972)
Finance cost	(4,233)	(474)	(4,233)	(474)
Share of associate's profit	(24,285)	-	(24,285)	-
Tax expense	(29,598)	(21,536)	(29,598)	(21,536)
Non-controlling interests	(38,805)	13,963	(38,805)	13,963
Total results	(23,951)	(716,019)	(23,951)	(716,019)

## 10. 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 2021.

## 11. 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.

## 12. Changes in the Composition of the Group

There was no change in the composition of the Group for the quarter under review.

## 13. Changes in Contingent Liabilities

There is no contingent liability as at 24 August 2021 (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**

**14. Review of Performance**

Current Quarter - Group

For the quarter under review, Ygl Group recorded a revenue of RM1,675,938 which was an increase of 87.8% as compared to a revenue of RM892,472 achieved in the preceding year corresponding quarter ended 30 June 2020. There was a gross profit of RM839,440 for the quarter under review as compared to gross profit of RM54,641 for the preceding year corresponding quarter. This was due higher revenue recorded during the quarter under review.

Net profit from operations for the quarter under review was RM72,970 as compared to net loss of RM707,972 in the preceding year corresponding quarter ended 30 June 2020. This was due to lower revenue recorded and provision for impairment of receivables during the preceding year corresponding quarter ended 30 June 2020.

Software Implementation

For the quarter under review, the software implementation segment recorded a revenue of RM1,304,058 which was an increase of 16.1% as compared to a revenue of RM890,972 achieved in the preceding year corresponding quarter ended 30 June 2020. Net loss from operations for the quarter under review was RM33,399 as compared to net loss from operations of RM698,984 for the preceding year corresponding quarter ended 30 June 2020. This was due to lower revenue recorded and provision for impairment of receivables during the preceding year corresponding quarter ended 30 June 2020.

Solar Installation

For the quarter under review, the solar installation segment recorded a revenue of RM371,880 as compared to a revenue of RM1,500 achieved in the preceding year corresponding quarter ended 30 June 2020. This was due to newly acquired subsidiary which had just started to engage with sale prospects.

Net profit from operations for the quarter under review was RM106,369 as compared to net loss from operations of RM8,988 for the preceding year corresponding quarter ended 30 June 2020. This was due to higher revenue recorded during the quarter under review.

Impact of Coronavirus (Covid-19) Pandemic

The prolonged restrictions due to the pandemic have affected business of the Group as the market has been severely weakened after being financially hit for more than a year with no end in sight. The local small and medium sized enterprises (SMEs) in the manufacturing sector who are our target customers, have been rationing their funds on urgent survival spending and putting on hold digitalization of their businesses. Government grants for investment in technology are helpful but many SMEs may not qualify in terms of their readiness. Road to financial recovery will take longer than we have expected. Our sales cycle will be impacted as the nature of our product offerings requires customer engagement beyond online meetings and discussions. Our business activities in Singapore have been impeded by the quarantine and restrictions due to the pandemic while Hong Kong government amid the pandemic has slowed down the government projects relevant to us.

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

There was a net profit before tax of RM44,452 for the quarter under review as compared to a net loss before tax of RM17,759 recorded in the preceding fourth quarter ended 31 March 2021. This was due to year end provisions made during the preceding quarter.

**16. Corporate Proposals**

There are no other corporate proposals announced but not completed as at the date of announcement as at 24 August 2021 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

**17. Prospects for 2021/2022**

The pandemic has greatly affected business operation and market sentiments, especially in the current scenario whereby the end of which may not be ascertained. However the pandemic has also accelerated the pace of digitalization. Malaysia has come out with its 10-year Digital Economy Blueprint for the period 2021 to 2030 which sets the national digital economy landscape for SMEs to transform and stay relevant. With the grants and incentives provided by the Malaysian government especially to the manufacturing sector, Ygl is cautiously optimistic that Ygl smart manufacturing and smart warehouse solutions are relevant and will contribute more revenue and profits to the Group.

**18. Taxation**

	3 months ended 3 June		Cumulative 3 months ended 30 June	
	2021 RM	2020 RM	2021 RM	2020 RM
Current tax expense				
Malaysian income tax	29,598	8,856	29,598	8,856
Foreign tax	-	12,680	-	12,680
	<u>29,598</u>	<u>21,536</u>	<u>29,598</u>	<u>21,536</u>
Deferred tax expense	-	-	-	-
Total income tax expense	<u>29,598</u>	<u>21,536</u>	<u>29,598</u>	<u>21,536</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.

**19. 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:

**Status on Utilisation of Proceeds (cont’d)**

Details	Actual Utilisation RM’000	Expected Utilisation RM’000
1) Listing and placement expenses	82	90
2) Business expansion	1,000	1,000
3) R&D expenses	851	1,000
4) Working capital	822	1,092
5) Balance of proceed not yet utilised	427	-
Total proceeds arising from private placement	3,182	3,182

**20. Cash and cash equivalents**

	As at 30 June 2021 RM	As at 30 June 2020 RM
Cash and bank balances	3,637,098	4,815,958
Less: Overdraft	(863,995)	-
	2,773,103	4,815,958

**21. Company Borrowings and Debt Securities**

The Group’s borrowings are as follows:

	As at 30 June 2021 RM	As at 30 June 2020 RM
<u>Payable within 12 months</u>		
Secured - Term Loan	-	-
<u>Payable after 12 months</u>		
Secured - Term Loan	-	-
Total	-	-

The Group does not have any foreign currency borrowings.

**22. 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 2021 (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.

**23. Contract Liabilities**

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

	<b>As at 30 June 2021 RM</b>	<b>As at 30 June 2020 RM</b>
Contract liabilities	958,157	697,466

**24. Lease Liabilities**

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

	<b>As at 30 June 2021 RM</b>	<b>As at 30 June 2020 RM</b>
<u>Payable within 12 months</u> Unsecured	-	15,039
<u>Payable after 12 months</u> Unsecured	-	-
Total	-	15,039

**25. Inventory**

The Group’ operation does not involve keeping of inventory except for a subsidiary company which keep certain quantity of inventory in hand to meet demand of its projects.

	<b>As at 30 June 2021 RM</b>	<b>As at 30 June 2020 RM</b>
Inventory	67,742	-

**26. Financial Instruments**

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

	<b>As at 30 June 2021 RM</b>	<b>As at 30 June 2020 RM</b>
<u>Financial assets</u>		
Account receivables	1,779,546	1,105,473
Other receivables, prepayments and deposits paid	1,852,849	92,969
Cash and cash equivalents	3,637,098	4,815,958
	7,269,493	6,014,400

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

	<b>As at 30 June 2021 RM</b>	<b>As at 30 June 2020 RM</b>
<u>Financial liabilities at amortised cost</u>		
Account payables	9,315	40,754
Other payables, accruals and deposits received	1,553,143	726,234
Bank overdraft	863,995	-
Term loan	-	-
Amount owing to directors	592,096	617,105
	<u>3,018,549</u>	<u>1,384,093</u>

All other financial instruments are carried at amounts not materially different from their fair values as at 31 March 2021.

#### Financial Risk Management Objectives and Policies

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

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

The Group’s risk management policies include:

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

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

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

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

## **Trade Receivables**

Aging analysis of financial assets:

	<b>As at 30 June 2021 RM</b>	<b>As at 30 June 2020 RM</b>
Up to 90 days	1,361,020	388,476
>90 to 180 days	209,930	523,179
>180 to 360 days	208,596	46,201
>360 days		147,617
Total amount	1,779,546	1,105,473

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.

## **27. Significant Related Party Transactions**

For the first quarter ended 30 June 2021, there was no significant related party transaction entered by the Group.

## **28. 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.

## **29. Profit Estimate/Forecast**

Not applicable.

## **30. Dividend**

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

**31. 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.

	<b>3 months ended 30 June</b>		<b>Cumulative 3 months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Profits/(Loss) for the period attributable to Owners of the Company (RM)	(23,951)	(716,019)	(23,951)	(716,019)
Weighted average number of ordinary shares in issue	255,514,540	255,514,540	255,514,540	255,514,540
Basic earnings/(loss) per share (sen)	(0.01)	(0.28)	(0.01)	(0.28)