

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021**

	Note	Individual Quarter 3 months ended 31 December		Cumulative Quarter 9 months ended 31 December	
		2021 RM	2020 RM	2021 RM	2020 RM
Continuing Operations					
Revenue	14	2,724,333	1,215,001	6,502,802	3,281,943
Cost of Sales		<u>(2,222,077)</u>	<u>(1,177,622)</u>	<u>(4,524,603)</u>	<u>(3,169,730)</u>
Gross Profit / (Loss)		502,256	37,379	1,978,199	112,213
Other Operating Income		67,823	55,478	126,451	323,949
Selling and Distribution Costs		(44,428)	(4,610)	(97,712)	(27,151)
Administrative Expenses		(360,779)	(236,957)	(1,317,201)	(622,600)
Other Operating Expenses		(468,913)	(281,230)	(1,201,300)	(1,025,726)
(Loss) / Profit for the period from continuing operations		<u>(304,041)</u>	<u>(429,940)</u>	<u>(511,563)</u>	<u>(1,239,315)</u>
Finance Costs		(12,014)	(573)	(27,580)	(1,346)
Write back of investment in associate company		-	1,475,000	-	1,475,000
Share of Results of Associate Company		(106,464)	124,729	33,661	124,729
(Loss) / Profit Before Tax	15	<u>(422,519)</u>	<u>1,169,216</u>	<u>(505,482)</u>	<u>359,068</u>
Income Tax Expense	18	(60,367)	(30,555)	(97,253)	(62,614)
(Loss) / Profit for the period		<u>(482,886)</u>	<u>1,138,661</u>	<u>(602,735)</u>	<u>296,454</u>
Profit attributable to :					
Owners of the Company		(217,384)	1,184,660	(440,880)	279,077
Non-controlling interests		(265,502)	(45,999)	(161,855)	17,377
(Loss) / Profit for the period		<u>(482,886)</u>	<u>1,138,661</u>	<u>(602,735)</u>	<u>296,454</u>
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operation		(13,599)	8,138	(660,583)	34,147
Total Comprehensive (Loss) / Income for the period		<u>(496,485)</u>	<u>1,146,799</u>	<u>(1,263,318)</u>	<u>330,601</u>
Total comprehensive (loss) / income attributable to:					
Owners of the Company		(230,983)	1,192,798	(1,101,463)	313,224
Non-controlling interests		(265,502)	(45,999)	(161,855)	17,377
		<u>(496,485)</u>	<u>1,146,799</u>	<u>(1,263,318)</u>	<u>330,601</u>
Earnings per share attributable to owners of the Company (in sen)					
Basic EPS ⁽ⁱⁱ⁾	31	(0.09)	0.46	(0.17)	0.11

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 THIRD QUARTER ENDED 31 DECEMBER 2021**

	Individual Quarter 3 months ended 31 December 2021 <u>RM</u>	Cumulative 9 months ended 31 December 2021 <u>RM</u>
(a) Interest income	173	726
(b) Other income including investment income	26,806	57,546
(c) Gain / (Loss) on disposal of quoted / unquoted investment or properties	n/a	n/a
(d) Gain / (Loss) on foreign exchange	48,375	69,754
(e) Gain / (Loss) on derivatives	n/a	n/a
(f) Interest expense	12,014	27,580
(g) Depreciation	74,045	223,757
(h) Amortization	413,675	1,151,589
(i) Provision for and write-off of receivables	-	17,456
(j) Provision for and write-off of inventories	-	-
(k) Exceptional item	-	-

n/a denotes not applicable

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Note	31 December 2021 (Unaudited) RM	30 March 2021 (Audited) RM
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		3,621,556	4,027,546
Right-of-use asset		-	-
Investment Property		282,846	283,204
Goodwill and Other Intangible Assets		2,865,176	3,011,636
Investment in Associate Company		1,757,640	1,723,978
		<u>8,527,218</u>	<u>9,046,364</u>
Current Assets			
Trade and Other Receivables	26	10,645,703	2,601,731
Inventory	25	273,721	-
Current Tax Assets		28,545	15,770
Cash and Cash Equivalents	20	3,109,248	3,423,610
		<u>14,057,217</u>	<u>6,041,111</u>
TOTAL ASSETS		<u>22,584,435</u>	<u>15,087,475</u>
EQUITY AND LIABILITIES			
Equity			
Share Capital		30,400,368	30,400,368
ESOS Reserve		311,264	152,172
Exchange Translation, non-distributable (Accumulated Losses) / Retained Profits		69,686	730,269
		(18,704,204)	(18,263,324)
Equity attributable to owners of the Company		<u>12,077,114</u>	<u>13,019,485</u>
Non-controlling Interests		(391,650)	(229,795)
TOTAL EQUITY		<u>11,685,464</u>	<u>12,789,690</u>
Non-Current Liabilities			
Lease Liabilities	24	-	-
Deferred Tax Liabilities		-	-
		<u>-</u>	<u>-</u>
Current Liabilities			
Trade and Other Payables	26	7,010,886	471,040
Other Liabilities		279,648	360,196
Contract Liabilities	23	724,742	862,223
Amount due to director		592,096	592,096
Lease liabilities	24	-	-
Bank overdraft	20	1,008,768	-
Trade Facilities	21	1,281,209	-
Current Tax Liabilities		1,622	12,230
		<u>10,898,971</u>	<u>2,297,785</u>
TOTAL LIABILITIES		<u>10,898,971</u>	<u>2,297,785</u>
TOTAL EQUITY AND LIABILITIES		<u>22,584,435</u>	<u>15,087,475</u>
Net assets per share attributable to owners of the Company (sen) ⁽ⁱⁱ⁾		4.73	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 THIRD QUARTER ENDED 31 DECEMBER 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	-	-	-	(440,880)	(440,880)	(161,855)	(602,735)
Other comprehensive loss							
Exchange translation differences	-	(660,583)	-	-	(660,583)	-	(660,583)
Share-based payment transaction	-	-	159,092	-	159,092	-	159,092
Deconsolidation effect	-	-	-	-	-	-	-
At 31 December 2021	30,400,368	69,686	311,264	(18,704,204)	12,077,114	-391,650	11,685,464

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 THIRD QUARTER ENDED 31 DECEMBER 2021

Note	9 MONTHS ENDED 31 DECEMBER (UNAUDITED)	PERIOD ENDED 31 MARCH (AUDITED)
	2021 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(505,482)	341,235
Adjustments for:-		
Depreciation of property, plant and equipment	223,399	294,224
Depreciation of investment property	358	477
Depreciation of right-of-use asset	-	56,709
Amortisation of software development costs	1,150,377	1,551,375
Amortisation of membership	1,212	2,020
Share of result of associates	(33,661)	(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	159,092	-
Goodwill written off	-	-
Property, plant and equipment written off	-	14
Realised (gain) / loss on foreign exchange	-	-
Unrealised (gain) / loss on foreign exchange	8,284	77
Gain on acquisition of subsidiary	-	-
Gain on disposal of subsidiary	-	-
Gain on deconsolidation of subsidiary	-	(64,194)
Dividend income	(26,046)	(59,492)
Interest income	(726)	(7,479)
Interest expense	27,580	-
Lease liabilities interest	-	610
Operating (loss) / profit before working capital changes	1,004,387	807,586
Receipts from customers	7,288,885	4,920,394
Changes in receivables	(14,688,452)	(6,095,048)
Payments to suppliers, contractors and employees	(7,275,470)	(4,654,244)
Changes in payables	12,599,446	4,933,724
Changes in contract liabilities	(137,481)	(5,389)
Changes in inventories	(273,720)	-
Cash used in operations	(1,482,405)	(92,977)
Interest received	726	7,479
Interest paid	(27,580)	-
Tax (paid) / refund	(97,253)	(153,656)
Net cash used in operating activities	(1,606,512)	(239,154)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(19,245)	(226,728)
Changes in software development costs	(1,005,008)	(1,010,499)
Net cash outflow from disposal of subsidiary	-	(134,060)
Proceeds from disposal of shares in subsidiary	-	-
Proceeds from other investment	26,046	59,492
Net cash used in investing activities	(998,207)	(1,311,795)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividened paid to non-controlling interest	-	-
Proceeds from share issue	-	-
Deconsolidation of subsidiary	-	-
Proceeds from share issue in subsidiary	-	-
Proceeds from trade facility	1,281,209	-
Payment of lease liabilities	-	(58,491)
Lease liabilities interest	-	(610)
Net cash (used in) / from financing activities	1,281,209	(59,101)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(1,323,510)	(1,610,050)
EFFECT OF CHANGES IN EXCHANGE RATES	380	74,435
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	3,423,610	4,959,225
CASH AND CASH EQUIVALENTS CARRIED FORWARD	2,100,480	3,423,610
Represented by:		
CASH AND BANK BALANCES	3,109,248	3,423,610
BANK OVERDRAFT	(1,008,768)	-
	2,100,480	3,423,610

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 31 December		Cumulative 9 months ended 31 December	
	2021 RM	2020 RM	2021 RM	2020 RM
<u>Segment Revenue</u>				
Revenue from operations:				
Software Implementation	1,322,491	1,215,001	3,689,760	3,113,378
Solar Installation	1,401,842	0	2,813,042	168,565
Total revenue	2,724,333	1,215,001	6,502,802	3,281,943
Elimination of inter-segment sales	-	-	-	-
External sales	2,724,333	1,215,001	6,502,802	3,281,943
Interest revenue	173	1,550	726	7,002

	3 months ended 31 December		Cumulative 9 months ended 31 December	
	2021 RM	2020 RM	2021 RM	2020 RM
<u>Segment Results</u>				
Results from operations:				
Software Implementation	312,543	(319,873)	(162,417)	(1,327,062)
Solar Installation	(616,584)	(110,067)	(349,146)	87,747
	(304,041)	(429,940)	(511,563)	(1,239,315)
Finance cost	(12,014)	(573)	(27,580)	(1,346)
Write back investment in associate		1,475,000	-	1,475,000
Share of associate's profit	(106,464)	124,729	33,661	124,729
Tax expense	(60,367)	(30,555)	(97,253)	(62,614)
Non-controlling interests	265,502	45,999	161,855	(17,377)
Total results	(217,384)	1,184,660	(440,880)	279,077

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 February 2022 (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 RM2,724,333 which was an increase of 124.2% as compared to a revenue of RM1,215,001 achieved in the preceding year corresponding quarter ended 31 December 2020. There was a gross profit of RM502,256 for the quarter under review as compared to gross profit of RM37,379 for the preceding year corresponding quarter. This was due to higher revenue recorded during the quarter under review.

Net loss from operations for the quarter under review was RM304,041 as compared to net loss of RM429,940 in the preceding year corresponding quarter ended 31 December 2020. The decrease in net loss from operations was due to higher revenue recorded during the quarter under review.

Software Implementation

For the quarter under review, the software implementation segment recorded a revenue of RM1,322,491 which was an increase of 8.8% as compared to a revenue of RM1,215,001 achieved in the preceding year corresponding quarter ended 31 December 2020.

Net profit from operations for the quarter under review was RM312,543 as compared to net loss from operations of RM319,873 for the preceding year corresponding quarter ended 31 December 2020. This was due to streamline of workforce during the quarter under review and there was a provision for impairment in the preceding year corresponding quarter.

Solar Installation

For the quarter under review, the solar installation segment recorded a revenue of RM1,401,842 as compared to no revenue recorded achieved in the preceding year corresponding quarter ended 31 December 2020. The increase in revenue was due to more projects were secured and executed during the quarter under review whereas last year was the initial stage of solar installation operation and there was minimal project during the preceding year corresponding quarter.

Net loss from operations for the quarter under review was RM616,584 as compared to net loss from operations of RM110,067 for the preceding year corresponding quarter ended 31 December 2020. This was due to increase in the price of raw material mainly solar panels and freight charges resulting from pandemic regulations and full staff force as compare to the initial stage last year with minimal customer and staff.

Cumulative Quarters - Group

For the nine months period ended 31 December 2021, Ygl Group recorded a revenue of RM6,502,802 which was an increase of 98.1% as compared to a revenue of RM3,281,943 achieved in the preceding year nine months period ended 31 December 2020. There was a gross profit of RM1,978,199 for the nine months period ended 31 December 2021 as compared to gross profit of RM112,213 recorded in the preceding year nine months period

ended 31 December 2020. This was due to streamline of work force and increase in sales in both segments during the period under review.

Software Implementation

For the nine months ended 31 December 2021, the software implementation segment recorded a revenue of RM3,689,760 as compared to a revenue of RM3,113,378 recorded in the preceding year nine months period ended 31 December 2020. There was net loss from operations of RM162,417 as compared to net loss from operations of RM1,327,062 recorded in the preceding year nine months period ended 31 December 2020. The decrease in net loss from operations was due to streamline of workforce to better staff efficiency and utilisation during the period under review while there was a provision for impairment during the preceding year corresponding period.

Solar Installation

For the nine months ended 31 December 2021, the solar installation segment recorded a revenue of RM1,401,842 as compared to a revenue of RM168,565 recorded in the preceding year nine months period ended 31 December 2020. There was net loss from operations of RM349,146 as compared to net profit from operations of RM87,747 recorded in the preceding year nine months period ended 31 December 2020. This was due to increase in prices of raw materials mainly solar panels, full workforce and operating costs as compared to the initial stage with minimal customer and staff during the preceding year corresponding period.

Impact of Coronavirus (Covid-19) Pandemic

Software Implementation

The local small and medium sized manufacturing enterprises (SMEs) who are our major customers have been prudent in their spending and they have taken the approach of smaller projects in gradual stages to digitalise their business operations. Certain projects are delayed as some SMEs are awaiting government grants. We are maintaining our direct workforce to support our existing customers as well as continuing our development effort into our proprietary software. The impact of the pandemic on the financial recovery of our customers will affect us as long as the uncertainty and disruption to business operations and supply chain lingers. We are increasing our sale effort amid due care as the nature of our product offerings requires customer engagement beyond online meetings and discussions. Our business activities in Singapore have been impeded by cross border restriction while Hong Kong government amid their zero case policy has slowed down the government projects relevant to us.

Solar Installation

We were not able to carry out our project installation for more than three months during the lockdown imposed by the government while our staff force has been in place. This affected the delivery of our projects. Solar projects are impacted by the global spike in costs of raw materials and increased freight rates from supply chain bottlenecks due to pandemic regulations. The implication of higher costs would be on project profitability and the transition cost to renewable energy for customers. We are continuing our marketing campaigns and have taken on projects within our capacity.

15. Material Changes in Profit Before Tax Against Preceding Quarter

There was a net loss before tax of RM422,519 for the quarter under review as compared to a net loss before tax of RM127,415 recorded in the preceding second quarter ended 30 September 2021. This was due to the solar segment was unable to do installation for three months during the movement restriction period and the increase in staff force and operating costs for the solar installation segment which has carried out more projects installations this quarter as compared to 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 February 2022 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

17. Prospects for 2022

The prospects look bright as the whole world economy is opening up and the pandemic would be tailing into endemic and businesses would be able to transact as “normal”. Many businesses would have learned re-alignment and digitalisation of their operations. This is applicable to all industries especially the manufacturing sector where efficiency and productivity will play key role in growth and increase competitiveness. Ygl’s smart warehouse, smart manufacturing and core enterprise resource planning (ERP) solutions are in line with the world’s digital plan where Industry 4.0, robotics, cloud deployment, remote learning would reduce dependency on human and physical attendance at work place. Ygl is cautiously optimistic that Ygl is in position as a solution provider to accelerate digitalisation in Malaysia.

We look forward to stabilisation of raw materials prices where solar panels form the major project costs and return of shipping capacity to ease freight charges. Our government champions the growth of renewable energy in Malaysia through its Net Energy Metering Programme (NEM) and there is opportunity for us as service provider to help customers in electricity cost savings.

18. Taxation

	3 months ended 31 December		Cumulative 9 months ended 31 December	
	2021 RM	2020 RM	2021 RM	2020 RM
Current tax expense				
Malaysian income tax	60,341	30,583	110,954	49,972
Foreign tax	26	(28)	(13,701)	12,642
	<u>60,367</u>	<u>30,555</u>	<u>97,253</u>	<u>62,614</u>
Deferred tax expense	-	-	-	-
Total income tax expense	<u>60,367</u>	<u>30,555</u>	<u>97,253</u>	<u>62,614</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

Pursuant to 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. The proceeds from the private placement exercise have been fully utilised as at to date.

20. Cash and cash equivalents

	As at 31 December 2021 RM	As at 31 December 2020 RM
Cash and bank balances	3,109,248	4,213,392
Less: Overdraft	(1,008,768)	-
	<u>2,100,480</u>	<u>4,213,392</u>

Fixed deposit of RM1 million has been pledged to a financial institution to secure trade facilities for one of the subsidiaries.

21. Company Borrowings and Debt Securities

The Group’s borrowings are as follows:

	As at 31 December 2021 RM	As at 31 December 2020 RM
<u>Payable within 12 months</u>		
Secured – Trade Facilities	1,281,209	-
<u>Payable after 12 months</u>		
Secured – Trade Facilities	-	-
Total	<u>1,281,209</u>	<u>-</u>

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 February 2022 (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:

	As at 31 December 2021 RM	As at 31 December 2020 RM
Contract liabilities	<u>724,742</u>	<u>630,634</u>

24. Lease Liabilities

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

	As at 31 December 2021 RM	As at 31 December 2020 RM
<u>Payable within 12 months</u>		
Unsecured	-	54,762
<u>Payable after 12 months</u>		
Unsecured	-	29,220
Total	-	83,982

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.

	As at 31 December 2021 RM	As at 31 December 2020 RM
Inventory	273,721	-

26. Financial Instruments

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

	As at 31 December 2021 RM	As at 31 December 2020 RM
<u>Financial assets</u>		
Account receivables	5,935,457	1,422,913
Other receivables, prepayments and deposits paid	4,710,246	415,243
Cash and cash equivalents	3,109,248	4,213,392
	13,754,951	6,051,548

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

	As at 31 December 2021 RM	As at 31 December 2020 RM
<u>Financial liabilities at amortised cost</u>		
Account payables	1,659,991	123,140
Other payables, accruals and deposits received	5,630,542	943,492
Bank overdraft	1,008,768	-
Trade Facilities	1,281,209	-
Amount owing to directors	592,096	615,551
	10,172,606	1,682,183

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:

	As at 31 December 2021 RM	As at 31 December 2020 RM
Up to 90 days	4,847,219	1,051,932
>90 to 180 days	788,241	232,042
>180 to 360 days	85,326	138,939
>360 days	214,671	-
Total amount	5,935,457	1,422,913

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 third quarter ended 31 December 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.

	3 months ended 31 December		Cumulative 9 months ended 31 December	
	2021	2020	2021	2020
Profits/(Loss) for the period attributable to Owners of the Company (RM)	(217,384)	1,184,660	(440,880)	279,077
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)	(0.09)	0.46	(0.17)	0.11