

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED 30 JUNE 2022**

	Note	Individual Quarter 3 months ended 30 June		Cumulative Quarter 3 months ended 30 June	
		2022 RM	2021 RM	2022 RM	2021 RM
Continuing Operations					
Revenue	14	3,307,067	1,675,938	3,307,067	1,675,938
Cost of Sales		<u>(3,443,911)</u>	<u>(836,498)</u>	<u>(3,443,911)</u>	<u>(836,498)</u>
Gross Profit / (Loss)		(136,844)	839,440	(136,844)	839,440
Other Operating Income		30,210	42,248	30,210	42,248
Selling and Distribution Costs		(49,243)	(15,913)	(49,243)	(15,913)
Administrative Expenses		(361,902)	(404,813)	(361,902)	(404,813)
Other Operating Expenses		(381,659)	(387,992)	(381,659)	(387,992)
(Loss) / Profit for the period from continuing operations		<u>(899,438)</u>	<u>72,970</u>	<u>(899,438)</u>	<u>72,970</u>
Finance Costs		(10,464)	(4,233)	(10,464)	(4,233)
Share of Results of Associate Company		(69,862)	(24,285)	(69,862)	(24,285)
(Loss) / Profit Before Tax	15	<u>(979,764)</u>	<u>44,452</u>	<u>(979,764)</u>	<u>44,452</u>
Income Tax Expense	18	(30,212)	(29,598)	(30,212)	(29,598)
(Loss) / Profit for the period		<u>(1,009,976)</u>	<u>14,854</u>	<u>(1,009,976)</u>	<u>14,854</u>
Profit attributable to :					
Owners of the Company		(980,899)	(23,951)	(980,899)	(23,951)
Non-controlling interests		(29,077)	38,805	(29,077)	38,805
(Loss) / Profit for the period		<u>(1,009,976)</u>	<u>14,854</u>	<u>(1,009,976)</u>	<u>14,854</u>
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operation		(615,988)	(648,251)	(615,988)	(648,251)
Total Comprehensive (Loss) / Income for the period		<u>(1,625,964)</u>	<u>(633,397)</u>	<u>(1,625,964)</u>	<u>(633,397)</u>
Total comprehensive (loss) / income attributable to:					
Owners of the Company		(1,596,887)	(672,202)	(1,596,887)	(672,202)
Non-controlling interests		(29,077)	38,805	(29,077)	38,805
		<u>(1,625,964)</u>	<u>(633,397)</u>	<u>(1,625,964)</u>	<u>(633,397)</u>
Earnings per share attributable to owners of the Company (in sen)					
Basic EPS ⁽ⁱⁱ⁾	31	(0.38)	(0.01)	(0.38)	(0.01)

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 2022 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 2022**

	Individual Quarter 3 months ended 30 June 2022 <u>RM</u>	Cumulative 3 months ended 30 June 2022 <u>RM</u>
(a) Interest income	4,441	4,441
(b) Other income including investment income	5,769	5,769
(c) Gain / (Loss) on disposal of quoted / unquoted investment or properties	n/a	n/a
(d) Gain / (Loss) on foreign exchange	521	521
(e) Gain / (Loss) on derivatives	n/a	n/a
(f) Interest expense	10,464	10,464
(g) Depreciation	61,902	61,902
(h) Amortization	331,073	331,073
(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 2022**

	Note	30 June 2022 (Unaudited) RM	30 March 2022 (Audited) RM
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		3,516,241	3,767,428
Investment Property		282,608	282,727
Goodwill and Other Intangible Assets		2,752,509	2,809,450
Investment in Associate Company		1,928,599	2,006,624
		<u>8,479,957</u>	<u>8,866,229</u>
Current Assets			
Trade and Other Receivables	26	3,612,429	4,589,589
Inventory	25	278,882	479,837
Current Tax Assets		178,415	165,927
Cash and Cash Equivalents	20	4,097,487	3,519,602
		<u>8,167,213</u>	<u>8,754,955</u>
TOTAL ASSETS		<u>16,647,170</u>	<u>17,621,184</u>
EQUITY AND LIABILITIES			
Equity			
Share Capital		30,400,368	30,400,368
ESOS Reserve		283,421	294,229
Exchange Translation, non-distributable (Accumulated Losses) / Retained Profits		122,177	738,165
		<u>(19,299,702)</u>	<u>(18,318,803)</u>
Equity attributable to owners of the Company		11,506,264	13,113,959
Non-controlling Interests		<u>(428,523)</u>	<u>(399,446)</u>
TOTAL EQUITY		<u>11,077,741</u>	<u>12,714,513</u>
Non-Current Liabilities			
Lease Liabilities	24	-	-
Deferred Tax Liabilities		-	-
		<u>-</u>	<u>-</u>
Current Liabilities			
Trade and Other Payables	26	1,712,872	1,215,991
Other Liabilities		227,882	379,584
Contract Liabilities	23	1,331,791	1,455,856
Amount due to director		592,096	592,096
Lease liabilities	24	-	-
Bank overdraft	20	689,306	1,169,964
Trade Facilities	21	1,013,859	90,542
Current Tax Liabilities		1,623	2,638
		<u>5,569,429</u>	<u>4,906,671</u>
TOTAL LIABILITIES		<u>5,569,429</u>	<u>4,906,671</u>
TOTAL EQUITY AND LIABILITIES		<u>16,647,170</u>	<u>17,621,184</u>
Net assets per share attributable to owners of the Company (sen) ⁽ⁱⁱ⁾		4.50	5.13

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

YGL CONVERGENCE BERHAD (200401010510 / 649013-W)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2022**

	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 2021		30,400,368	730,269	152,172	(18,263,324)	13,019,485	(229,795)	12,789,690
Foreign currency translation differences for foreign operations		-	(267)	-	-	-267	(1,806)	(2,073)
Share of other comprehensive income of an associate		-	8,163	-	-	8,163	-	8,163
Total other comprehensive income		-	7,896	-	-	7,896	(1,806)	6,090
Net profit for the financial period		-	-	-	(77,568)	(77,568)	(167,845)	(245,413)
Total comprehensive loss		-	7,896	-	(77,568)	(69,672)	(169,651)	(239,323)
Share-based payment transaction		-	-	-	-	-	-	-
Granted		-	-	164,146	-	164,146	-	164,146
Lapsed due to resignation		-	-	(22,089)	22,089	-	-	-
At 31 March 2022		30,400,368	738,165	294,229	(18,318,803)	13,113,959	(399,446)	12,714,513
<i>Audited</i>								
At 1 April 2022		30,400,368	738,165	294,229	(18,318,803)	13,113,959	(399,446)	12,714,513
Net profit/(loss) for the year		-	-	-	(980,899)	(980,899)	(29,077)	(1,009,976)
Other comprehensive loss		-	-	-	-	-	-	-
Exchange translation differences		-	(615,988)	-	-	(615,988)	-	(615,988)
Share-based payment transaction		-	-	(10,808)	-	(10,808)	-	(10,808)
At 31 June 2022		30,400,368	122,177	283,421	(19,299,702)	11,506,264	(428,523)	11,077,741

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2022

Note	3 MONTHS ENDED 30 JUNE (UNAUDITED) 2022 RM	YEAR ENDED 31 MARCH (AUDITED) 2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(979,764)	(225,274)
Adjustments for:-		
Depreciation of property, plant and equipment	61,783	290,259
Depreciation of investment property	119	477
Depreciation of right-of-use asset	-	-
Amortisation of software development costs	330,669	1,512,371
Amortisation of membership	404	1,616
Share of result of associates	69,862	(274,483)
(Write back) / Impairment loss on investment in associate	-	-
(Write back) / Impairment loss on trade receivables	-	(6,360)
Impairment loss on intangible assets	-	-
Impairment loss on trade receivables	-	85,342
Bad debts written off	-	138
Share-based payment transactions	(10,808)	164,146
Goodwill written off	-	-
Property, plant and equipment written off	-	-
Realised (gain) / loss on foreign exchange	-	-
Unrealised (gain) / loss on foreign exchange	1,316	21,016
Gain on acquisition of subsidiary	-	-
Gain on disposal of subsidiary	-	-
Gain on deconsolidation of subsidiary	-	-
Dividend income	(5,769)	(28,767)
Interest income	(4,441)	(5,541)
Interest expense	10,464	48,104
Lease liabilities interest	-	-
Operating (loss) / profit before working capital changes	(526,165)	1,583,044
Receipts from customers	4,170,380	13,053,113
Changes in receivables	(2,815,526)	(15,118,793)
Payments to suppliers, contractors and employees	(2,769,363)	(12,396,253)
Changes in payables	2,306,846	13,159,708
Changes in contract liabilities	(124,065)	592,721
Changes in inventories	200,955	(479,837)
Cash used in operations	443,062	393,703
Dividend received	5,769	28,767
Interest received	4,441	5,541
Interest paid	(10,464)	(48,104)
Tax (paid) / refund	(30,212)	(179,888)
Net cash used in operating activities	412,596	200,019
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(12,432)	(30,141)
Changes in software development costs	(274,132)	(1,311,619)
Net cash outflow from disposal of subsidiary	-	-
Proceeds from disposal of shares in subsidiary	-	-
Proceeds from other investment	-	-
Net cash used in investing activities	(286,564)	(1,341,760)
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	923,318	90,542
Payment of lease liabilities	-	-
Lease liabilities interest	-	-
Net cash (used in) / from financing activities	923,318	90,542
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	1,049,350	(1,051,199)
EFFECT OF CHANGES IN EXCHANGE RATES	9,193	(22,773)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	2,349,638	3,423,610
CASH AND CASH EQUIVALENTS CARRIED FORWARD	3,408,181	2,349,638
Represented by:		
CASH AND BANK BALANCES	4,097,487	3,519,602
BANK OVERDRAFT	(689,306)	(1,169,964)
	3,408,181	2,349,638

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 2022 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 2022 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 2022.

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 2022 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 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

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.

Standards 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 30June		Cumulative 3 months ended 30 June	
	2022 RM	2021 RM	2022 RM	2021 RM
<u>Segment Revenue</u>				
Revenue from operations:				
Software	907,772	1,304,058	907,772	1,304,058
Solar	2,399,295	371,880	2,399,295	371,880
Total revenue	<u>3,307,067</u>	<u>1,675,938</u>	<u>3,307,067</u>	<u>1,675,938</u>
Elimination of inter- segment sales	-	-	-	-
External sales	<u>3,307,067</u>	<u>1,675,938</u>	<u>3,307,067</u>	<u>1,675,938</u>
Interest revenue	<u>4,441</u>	<u>246</u>	<u>4,441</u>	<u>246</u>

Segmental Information (continued)

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2022 RM	2021 RM	2022 RM	2021 RM
<u>Segment Results</u>				
Results from operations:				
Software	(456,792)	(33,399)	(456,792)	(33,399)
Solar	(442,646)	106,369	(442,646)	106,369
	(899,438)	72,970	(899,438)	72,970
Finance cost	(10,464)	(4,233)	(10,464)	(4,233)
Share of associate’s profit	(69,862)	(24,285)	(69,862)	(24,285)
Tax expense	(30,212)	(29,598)	(30,212)	(29,598)
Non-controlling interests	29,077	(38,805)	29,077	(38,805)
Total results	(980,899)	(23,951)	(980,899)	(23,951)

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 2022.

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 25 August 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 RM3,307,067 which was an increase of 97.3% as compared to a revenue of RM1,675,938 achieved in the preceding year corresponding quarter ended 30 June 2021. There was a gross loss of RM136,844 for the quarter under review as compared to gross profit of RM839,440 for the preceding year corresponding quarter ended 30 June 2021. Net loss from operations for the quarter under review was RM899,438 as compared to net profit of RM72,790 recorded in the preceding year corresponding quarter ended 30 June 2021.

The net loss from operations was due to the software segment recorded lower revenue while direct workforce was maintained during the quarter under review. This was due to the delay in acquisition of software deals at the back of volatile market sentiment. The solar segment recorded higher revenue but gross margin was eroded due to increase in material costs for the solar segment while full staff force and operating costs were maintained during the six months movement control order (MCO) period from January 2021 until end of September 2021 when installation work was prohibited but contracts were already committed with customers.

Software Segment

For the quarter under review, the software segment recorded a revenue of RM907,772 which was a decrease of 30.4% as compared to a revenue of RM1,304,058 achieved in the preceding year corresponding quarter ended 30 June 2021.

Net loss from operations for the quarter under review was RM456,792 as compared to net loss from operations of RM33,399 for the preceding year corresponding quarter ended 30 June 2022. This was due to the delay in acquisition of software deals at the back of volatile market sentiment.

Solar Segment

For the quarter under review, the solar installation segment recorded a revenue of RM2,399,295 as compared to a revenue of RM371,880 recorded in the preceding year corresponding quarter ended 30 June 2021. The increase in revenue was due to more projects were secured and executed during the quarter under review whereas last year MCO was imposed from January 2021 until end of September 2021 and installation work was only allowed starting from October 2021.

Net loss from operations for the quarter under review was RM442,646 as compared to net profit from operations of RM106,369 recorded for the preceding year corresponding quarter ended 30 June 2021. This was due to execution of last year contracts which were already committed with customers but executed this year at increased material costs resulting from supply chain constraints.

15. Material Changes in Profit Before Tax Against Preceding Quarter

There was a net loss before tax of RM979,764 for the quarter under review as compared to a net profit before tax of RM285,036 recorded in the preceding fourth quarter ended 31 March 2022. This was due to lower revenue of RM3,307,067 recorded during the quarter under review which was a decrease of 122.1% as compared to revenue of RM7,347,526 recorded in the preceding quarter ended 31 March 2022. The decrease in revenue was due to certain sales contracts being delayed against the backdrop of uncertainty in local and world market.

The software and solar segments recorded revenue of RM907,772 and RM2,399,295 respectively during the quarter under review as compared to the preceding fourth quarter ended 31 March 2022 which recorded revenue of RM1,885,793 and RM5,461,733 by software and solar segments respectively.

16. Corporate Proposals

There are no other corporate proposals announced but not completed as at the date of announcement as at 25 August 2022 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

17. Prospects for 2022

The road to digitalisation is inevitable for small and medium sized enterprises operating businesses in the post pandemic era where online business structure has been a game changer. Enterprises not only face competition but risk elimination if they do not embrace technology to improve efficiency and productivity when the operating costs such as raw materials and labour have been under inflationary pressure. With changes to employment law which allow for flexible working arrangement effective 1 September 2022, 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.

The Russia-Ukraine war highlighted the vulnerability of dependence on fossil fuel or natural gas and European nations are scrambling to increase their installation of renewable energy including solar and this may affect the prices of both raw materials and finished goods of solar products. We look forward to stabilisation of raw materials prices where solar panels form the major project costs but the weakened strength of Ringgit Malaysia against the US Dollar is another headwind. The Net Energy Metering Programme (NEM) championed by our government to grow of renewable energy in Malaysia provides opportunity for us as service provider to help customers in saving electricity cost.

18. Taxation

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax expense				
Malaysian income tax	30,212	29,598	30,212	29,598
Foreign tax	-	-	-	-
	<u>30,212</u>	<u>29,598</u>	<u>30,212</u>	<u>29,598</u>
Deferred tax expense	-	-	-	-
Total income tax expense	<u>30,212</u>	<u>29,598</u>	<u>30,212</u>	<u>29,598</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 30 June 2022 RM	As at 30 June 2021 RM
Cash and bank balances	4,097,487	3,637,098
Less: Overdraft	(689,306)	(863,995)
	3,408,181	2,773,103

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 30 June 2022 RM	As at 30 June 2021 RM
<u>Payable within 12 months</u>		
Secured – Trade Facilities	1,013,859	-
<u>Payable after 12 months</u>		
Secured – Trade Facilities	-	-
Total	1,013,859	-

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 25 August 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 30 June 2022 RM	As at 30 June 2021 RM
Contract liabilities	1,331,791	958,157

24. Lease Liabilities

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

	As at 30 June 2022 RM	As at 30 June 2021 RM
<u>Payable within 12 months</u>		
Unsecured	-	-
<u>Payable after 12 months</u>		
Unsecured	-	-
Total	-	-

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 30 June 2022 RM	As at 30 June 2021 RM
Inventory	278,882	67,742

26. Financial Instruments

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

	As at 30 June 2022 RM	As at 30 June 2021 RM
<u>Financial assets</u>		
Account receivables	3,174,875	1,779,546
Other receivables, prepayments and deposits paid	437,554	1,852,849
Cash and cash equivalents	4,097,487	3,637,098
	7,709,916	7,269,493

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

	As at 30 June 2022 RM	As at 30 June 2021 RM
<u>Financial liabilities at amortised cost</u>		
Account payables	646,630	9,315
Other payables, accruals and deposits received	1,294,124	1,553,143
Bank overdraft	689,306	863,995
Trade Facilities	1,013,859	-
Amount owing to directors	592,096	592,096
	4,236,015	3,018,549

All other financial instruments are carried at amounts not materially different from their fair values as at 31 March 2022.

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 2022 RM	As at 30 June 2021 RM
Up to 90 days	1,336,698	1,361,020
>90 to 180 days	947,792	209,930
>180 to 360 days	890,385	208,596
>360 days	-	-
Total amount	3,174,875	1,779,546

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 2022, 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 30 June		Cumulative 3 months ended 30 June	
	2022	2021	2022	2021
Profits/(Loss) for the period attributable to Owners of the Company (RM)	(980,899)	(23,951)	(980,899)	(23,951)
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)	(0.38)	(0.01)	(0.38)	(0.01)