

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

	Note	Individual Quarter 3 months ended 30 September		Cumulative Quarter 6 months ended 30 September	
		2022 RM	2021 RM	2022 RM	2021 RM
<b>Continuing Operations</b>					
Revenue	14	3,463,429	2,102,531	6,770,496	3,778,469
Cost of Sales		<u>(2,540,885)</u>	<u>(1,466,028)</u>	<u>(5,984,796)</u>	<u>(2,302,526)</u>
Gross Profit / (Loss)		922,544	636,503	785,700	1,475,943
Other Operating Income		32,154	16,380	62,364	58,628
Selling and Distribution Costs		(72,283)	(37,371)	(121,526)	(53,284)
Administrative Expenses		(451,528)	(551,609)	(813,430)	(956,422)
Other Operating Expenses		(364,542)	(344,395)	(746,201)	(732,387)
<b>(Loss) / Profit for the period from continuing operations</b>		<u>66,345</u>	<u>(280,492)</u>	<u>(833,093)</u>	<u>(207,522)</u>
Finance Costs		(10,118)	(11,333)	(20,582)	(15,566)
Share of Results of Associate Company		(49,632)	164,410	(119,494)	140,125
<b>(Loss) / Profit Before Tax</b>	15	<u>6,595</u>	<u>(127,415)</u>	<u>(973,169)</u>	<u>(82,963)</u>
Income Tax Expense	18	22,724	(7,288)	(7,488)	(36,886)
<b>(Loss) / Profit for the period</b>		<u>29,319</u>	<u>(134,703)</u>	<u>(980,657)</u>	<u>(119,849)</u>
<b>Profit attributable to :</b>					
Owners of the Company		30,055	(199,545)	(950,844)	(223,496)
Non-controlling interests		(736)	64,842	(29,813)	103,647
<b>(Loss) / Profit for the period</b>		<u>29,319</u>	<u>(134,703)</u>	<u>(980,657)</u>	<u>(119,849)</u>
<b>Other comprehensive income</b>					
Item that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operation		23,538	1,267	(592,450)	(646,984)
<b>Total Comprehensive (Loss) / Income for the period</b>		<u>52,857</u>	<u>(133,436)</u>	<u>(1,573,107)</u>	<u>(766,833)</u>
Total comprehensive (loss) / income attributable to:					
Owners of the Company		53,593	(198,278)	(1,543,294)	(870,480)
Non-controlling interests		(736)	64,842	(29,813)	103,647
		<u>52,857</u>	<u>(133,436)</u>	<u>(1,573,107)</u>	<u>(766,833)</u>
Earnings per share attributable to owners of the Company (in sen)					
Basic EPS <sup>(ii)</sup>	31	0.01	(0.08)	(0.37)	(0.09)

**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 SECOND QUARTER ENDED 30 SEPTEMBER 2022**

	Individual Quarter 3 months ended 30 September 2022 <u>RM</u>	Cumulative 6 months ended 30 September 2022 <u>RM</u>
(a) Interest income	4,530	8,971
(b) Other income including investment income	27,624	53,393
(c) Gain / (Loss) on disposal of quoted / unquoted investment or properties	n/a	n/a
(d) Gain / (Loss) on foreign exchange	(14,301)	(13,780)
(e) Gain / (Loss) on derivatives	n/a	n/a
(f) Interest expense	10,118	20,582
(g) Depreciation	65,887	127,789
(h) Amortization	356,732	687,805
(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 SEPTEMBER 2022**

	Note	30 September 2022 (Unaudited) RM	30 March 2022 (Audited) RM
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment		3,471,131	3,767,428
Investment Property		282,489	282,727
Goodwill and Other Intangible Assets		2,658,383	2,809,450
Investment in Associate Company		1,878,967	2,006,624
		<u>8,290,970</u>	<u>8,866,229</u>
<b>Current Assets</b>			
Trade and Other Receivables	26	3,264,778	4,589,589
Inventory	25	218,111	479,837
Current Tax Assets		242,785	165,927
Cash and Cash Equivalents	20	3,789,328	3,519,602
		<u>7,515,002</u>	<u>8,754,955</u>
<b>TOTAL ASSETS</b>		<u>15,805,972</u>	<u>17,621,184</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital		30,400,368	30,400,368
ESOS Reserve		283,421	294,229
Exchange Translation, non-distributable (Accumulated Losses) / Retained Profits		145,715	738,165
		<u>(19,269,647)</u>	<u>(18,318,803)</u>
<b>Equity attributable to owners of the Company</b>		11,559,857	13,113,959
Non-controlling Interests		<u>(429,259)</u>	<u>(399,446)</u>
<b>TOTAL EQUITY</b>		<u>11,130,598</u>	<u>12,714,513</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	2,232,609	1,215,991
Other Liabilities		146,022	379,584
Contract Liabilities	23	838,127	1,455,856
Amount due to director		592,096	592,096
Lease liabilities	24	-	-
Bank overdraft	20	864,897	1,169,964
Trade Facilities	21	-	90,542
Current Tax Liabilities		1,623	2,638
		<u>4,675,374</u>	<u>4,906,671</u>
<b>TOTAL LIABILITIES</b>		<u>4,675,374</u>	<u>4,906,671</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>15,805,972</u>	<u>17,621,184</u>
Net assets per share attributable to owners of the Company (sen) <sup>(ii)</sup>		4.52	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 SECOND QUARTER ENDED 30 SEPTEMBER 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		-	-	-	(950,844)	(950,844)	(29,813)	(980,657)
Other comprehensive loss		-	-	-	-	-	-	-
Exchange translation differences		-	(592,450)	-	-	(592,450)	-	(592,450)
Share-based payment transaction		-	-	(10,808)	-	(10,808)	-	(10,808)
At 30 September 2022		30,400,368	145,715	283,421	(19,269,647)	11,559,857	(429,259)	11,130,598

*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 SECOND QUARTER ENDED 30 SEPTEMBER 2022

Note	6 MONTHS	YEAR ENDED
	ENDED 30 SEPTEMBER (UNAUDITED) 2022 RM	31 MARCH (AUDITED) 2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(973,169)	(225,274)
Adjustments for:-		
Depreciation of property, plant and equipment	127,550	290,259
Depreciation of investment property	239	477
Depreciation of right-of-use asset	-	-
Amortisation of software development costs	686,997	1,512,371
Amortisation of membership	808	1,616
Share of result of associates	119,494	(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	(2,211)	21,016
Gain on acquisition of subsidiary	-	-
Gain on disposal of subsidiary	-	-
Gain on deconsolidation of subsidiary	-	-
Dividend income	(12,367)	(28,767)
Interest income	(8,971)	(5,541)
Interest expense	20,582	48,104
Lease liabilities interest	-	-
Operating (loss) / profit before working capital changes	(51,856)	1,583,044
Receipts from customers	7,459,015	13,053,113
Changes in receivables	(5,713,770)	(15,118,793)
Payments to suppliers, contractors and employees	(6,096,560)	(12,396,253)
Changes in payables	6,046,827	13,159,708
Changes in contract liabilities	(617,729)	592,721
Changes in inventories	261,726	(479,837)
Cash used in operations	1,287,653	393,703
Dividend received	12,367	28,767
Interest received	8,971	5,541
Interest paid	(20,582)	(48,104)
Tax (paid) / refund	(71,858)	(179,888)
Net cash used in operating activities	1,216,551	200,019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(33,090)	(30,141)
Changes in software development costs	(536,739)	(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	(569,829)	(1,341,760)
<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	-	-
Proceeds from trade facility	(90,542)	90,542
Payment of lease liabilities	-	-
Lease liabilities interest	-	-
Net cash (used in) / from financing activities	(90,542)	90,542
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	556,180	(1,051,199)
<b>EFFECT OF CHANGES IN EXCHANGE RATES</b>	18,613	(22,773)
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	2,349,638	3,423,610
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<u>2,924,431</u>	<u>2,349,638</u>
Represented by:		
<b>CASH AND BANK BALANCES</b>	3,789,328	3,519,602
<b>BANK OVERDRAFT</b>	(864,897)	(1,169,964)
	<u>2,924,431</u>	<u>2,349,638</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 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

Standards effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16      Lease Liability in a Sale and Leaseback

**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 September		Cumulative 6 months ended 30 September	
	2022 RM	2021 RM	2022 RM	2021 RM
<u>Segment Revenue</u>				
Revenue from operations:				
Software	1,473,328	1,063,211	2,381,100	2,367,269
Solar	1,990,101	1,039,320	4,389,396	1,411,200
Total revenue	3,463,429	2,102,531	6,770,496	3,778,469
Elimination of inter- segment sales	-	-	-	-
External sales	3,463,429	2,102,531	6,770,496	3,778,469
Interest revenue	4,530	307	8,971	533

**Segmental Information (continued)**

	3 months ended 30 September		Cumulative 6 months ended 30 September	
	2022 RM	2021 RM	2022 RM	2021 RM
<u>Segment Results</u>				
Results from operations:				
Software	12,320	(441,561)	(444,472)	(474,960)
Solar	54,025	161,069	(388,621)	267,438
	66,345	(280,492)	(833,093)	(207,522)
Finance cost	(10,118)	(11,333)	(20,582)	(15,566)
Share of associate’s profit	(49,632)	164,410	(119,494)	140,125
Tax expense	22,724	(7,288)	(7,488)	(36,886)
Non-controlling interests	736	(64,842)	29,813	(103,647)
Total results	(30,055)	(199,545)	(950,844)	(223,496)

**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 23 November 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 RM3,463,429 which was an increase of 64.7% as compared to a revenue of RM2,102,531 recorded in the preceding year corresponding quarter ended 30 September 2021. There was gross profit of RM922,544 for the quarter under review as compared to gross profit of RM636,503 for the preceding year corresponding quarter ended 30 September 2021. Net profit from operations for the quarter under review was RM66,345 as compared to net loss of RM280,492 recorded in the preceding year corresponding quarter ended 30 September 2021. The net profit from operations was due to both software and solar segments recorded higher revenue during the quarter under review.



#### Software Segment

For the quarter under review, the software segment recorded a revenue of RM1,473,328 which was an increase of 38.6% as compared to a revenue of RM1,063,211 recorded in the preceding year corresponding quarter ended 30 September 2021.

Net profit from operations for the quarter under review was RM12,320 as compared to net loss from operations of RM441,561 for the preceding year corresponding quarter ended 30 September 2022. This was due to higher revenue recorded during the quarter under review while there was movement control order imposed from January 2021 until September 2021 which had affected the acquisition of software deals while direct workforce was maintained during the preceding year quarter ended 30 September 2021.

#### Solar Segment

For the quarter under review, the solar installation segment recorded a revenue of RM1,990,101 as compared to a revenue of RM1,039,320 recorded in the preceding year corresponding quarter ended 30 September 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 to start from October 2021.

Net profit from operations for the quarter under review was RM54,025 as compared to net profit from operations of RM161,069 recorded for the preceding year corresponding quarter ended 30 September 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 thus affecting the margin of the solar segment.

#### Cumulative Quarters - Group

For the six months period ended 30 September 2022, Ygl Group recorded a revenue of RM6,770,496 which was an increase of 79.2% as compared to a revenue of RM3,778,469 achieved in the preceding year six months period ended 30 September 2021. There was a gross profit of RM785,700 for the six months period as compared to gross profit of RM1,475,943 recorded in the preceding year six months period ended 30 September 2021. This was due to execution of last year solar contracts which were already committed with customers but executed this year at increased material costs resulting from supply chain constraints mainly from the first quarter of this year.

#### Software Implementation

For the six months ended 30 September 2022, the software implementation segment recorded a revenue of RM2,381,100 as compared to a revenue of RM2,367,269 recorded in the preceding year six months period ended 30 September 2021. There was net loss from operations of RM444,472 as compared to net loss from operations of RM474,960 recorded in the preceding year six months period ended 30 September 2021. Both periods in comparison reflected the same level of revenue recorded while direct workforce was maintained.

#### Solar Installation

For the six months ended 30 September 2022, the solar installation segment recorded a revenue of RM4,389,396 as compared to a revenue of RM1,411,200 recorded in the preceding year six months period ended 30 September 2021. There was net loss from operations of RM388,621 as compared to net profit from operations of RM267,438 recorded in the preceding year six months period ended 30 September 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 mainly from the first quarter of this year.

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

There was a net profit before tax of RM6,595 for the quarter under review as compared to a net loss before tax of RM979,764 recorded in the preceding first quarter ended 30 June 2022.

The software segment recorded revenue of RM1,473,328 and net profit of RM12,320 during the quarter under review as compared to the preceding first quarter ended 30 June 2022 which recorded revenue of RM907,772 and net loss of RM456,792. This was due to the higher revenue recorded during the quarter under review as a result of longer sales cycle at the back of uncertainties in the world market.

The solar segment recorded revenue of RM1,990,101 and net profit of RM54,025 during the quarter under review as compared to the preceding first quarter ended 30 June 2022 which recorded revenue of RM2,399,295 and net loss of RM442,646. This was due to execution and completion of last year contracts in the first quarter which were already committed with customers but executed this year at increased material costs resulting from supply chain constraints.

**16. Corporate Proposals**

There are no other corporate proposals announced but not completed as at the date of announcement as at 23 November 2022 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

**17. Prospects for 2022**

The world economy has been assailed by endless shocks from the pandemic, US-China trade war, Russia-Ukraine conflict, energy crisis and lately the crypto crisis and the spill-over effects impacted the economy all over the world. Small and medium sized enterprises must ride with digital technologies in operating businesses to improve efficiency and productivity especially when raw materials and labour costs have been hiking. Ygl's offerings of smart warehouse, smart manufacturing and core enterprise resource planning (ERP) solutions are in line with the world's digital trend where Industry 4.0, robotics, cloud deployment, remote learning would enable remote working arrangement for both employers and employees. Ygl is cautiously optimistic that Ygl is in position as a solution provider to accelerate digitalisation in the Asian region.

We concur with conservation ideology where depletion of fossil fuel and damage to environment is taking a toll on our mother earth and promote the use of renewable energy such as solar energy. We look forward to the strengthening of Ringgit Malaysia against the US Dollar and stabilisation of raw materials prices where solar panels form the major project costs. We are in line with the Net Energy Metering Programme (NEM) championed by our government to expand renewable energy in Malaysia and as service provider to enable our customers to reduce their electricity bills through clean energy source.

**18. Taxation**

	3 months ended 30 September		Cumulative 6 months ended 30 September	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax expense				
Malaysian income tax	(22,724)	21,015	7,488	50,613
Foreign tax	-	(13,727)	-	(13,727)
	<u>(22,724)</u>	<u>7,288</u>	<u>7,488</u>	<u>36,886</u>
Deferred tax expense	-	-	-	-
Total income tax expense	<u>(22,724)</u>	<u>7,288</u>	<u>7,488</u>	<u>36,886</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 September 2022 RM	As at 30 September 2021 RM
Cash and bank balances	3,789,328	3,611,556
Less: Overdraft	(864,897)	(1,076,984)
	<u>2,924,431</u>	<u>2,534,572</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 30 September 2022 RM	As at 30 September 2021 RM
<u>Payable within 12 months</u>		
Secured – Trade Facilities	-	-
<u>Payable after 12 months</u>		
Secured – Trade Facilities	-	-
Total	<u>-</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 23 November 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:

	<b>As at 30 September 2022 RM</b>	<b>As at 30 September 2021 RM</b>
Contract liabilities	838,127	2,525,964

**24. Lease Liabilities**

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

	<b>As at 30 September 2022 RM</b>	<b>As at 30 September 2021 RM</b>
<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.

	<b>As at 30 September 2022 RM</b>	<b>As at 30 September 2021 RM</b>
Inventory	218,111	809,569

## 26. Financial Instruments

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

	<b>As at 30 September 2022 RM</b>	<b>As at 30 September 2021 RM</b>
<u>Financial assets</u>		
Account receivables	2,936,925	3,256,134
Other receivables, prepayments and deposits paid	327,853	1,085,802
Cash and cash equivalents	3,789,328	3,611,556
	7,054,106	7,953,492

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

	<b>As at 30 September 2022 RM</b>	<b>As at 30 September 2021 RM</b>
<u>Financial liabilities at amortised cost</u>		
Account payables	1,223,410	97,006
Other payables, accruals and deposits received	1,155,221	1,126,630
Bank overdraft	864,897	1,076,984
Trade Facilities	-	-
Amount owing to directors	592,096	592,096
	3,835,624	2,892,716

All other financial instruments are carried at amounts not materially different from their fair values as at 30 September 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.

***Financial Instruments (continued)***

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 September 2022 RM</b>	<b>As at 30 September 2021 RM</b>
Up to 90 days	1,315,825	2,848,148
>90 to 180 days	420,225	350,692
>180 to 360 days	212,443	57,294
>360 days	988,432	-
Total amount	2,936,925	3,256,134

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 second quarter ended 30 September 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.

	<b>3 months ended 30 September</b>		<b>Cumulative 6 months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Profits/(Loss) for the period attributable to Owners of the Company (RM)	30,055	(199,545)	(950,844)	(223,496)
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	(0.08)	(0.37)	(0.09)