

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2022

	Note	Individual Quarter 3 months ended 31 December		Cumulative Quarter 9 months ended 31 December	
		2022 RM	2021 RM	2022 RM	2021 RM
<b>Continuing Operations</b>					
Revenue	14	2,392,556	2,724,333	9,163,052	6,502,802
Cost of Sales		<u>(1,967,270)</u>	<u>(2,222,077)</u>	<u>(7,952,066)</u>	<u>(4,524,603)</u>
Gross Profit / (Loss)		425,286	502,256	1,210,986	1,978,199
Other Operating Income		33,700	67,823	96,064	126,451
Selling and Distribution Costs		(82,803)	(44,428)	(204,329)	(97,712)
Administrative Expenses		(348,895)	(360,779)	(1,162,325)	(1,317,201)
Other Operating Expenses		(433,556)	(468,913)	(1,179,757)	(1,201,300)
<b>(Loss) / Profit for the period from continuing operations</b>		<u>(406,268)</u>	<u>(304,041)</u>	<u>(1,239,361)</u>	<u>(511,563)</u>
Finance Costs		(12,861)	(12,014)	(33,443)	(27,580)
Share of Results of Associate Company		(158,536)	(106,464)	(278,030)	33,661
<b>(Loss) / Profit Before Tax</b>	15	<u>(577,665)</u>	<u>(422,519)</u>	<u>(1,550,834)</u>	<u>(505,482)</u>
Income Tax Expense	18	(6,577)	(60,367)	(14,065)	(97,253)
<b>(Loss) / Profit for the period</b>		<u>(584,242)</u>	<u>(482,886)</u>	<u>(1,564,899)</u>	<u>(602,735)</u>
<b>Profit attributable to :</b>					
Owners of the Company		(572,383)	(217,384)	(1,523,227)	(440,880)
Non-controlling interests		(11,859)	(265,502)	(41,672)	(161,855)
<b>(Loss) / Profit for the period</b>		<u>(584,242)</u>	<u>(482,886)</u>	<u>(1,564,899)</u>	<u>(602,735)</u>
<b>Other comprehensive income</b>					
Item that may be reclassified subsequently to profit or loss Exchange differences on translation of foreign operation		(22,620)	(13,599)	(615,070)	(660,583)
<b>Total Comprehensive (Loss) / Income for the period</b>		<u>(606,862)</u>	<u>(496,485)</u>	<u>(2,179,969)</u>	<u>(1,263,318)</u>
Total comprehensive (loss) / income attributable to:					
Owners of the Company		(595,003)	(230,983)	(2,138,297)	(1,101,463)
Non-controlling interests		(11,859)	(265,502)	(41,672)	(161,855)
		<u>(606,862)</u>	<u>(496,485)</u>	<u>(2,179,969)</u>	<u>(1,263,318)</u>
Earnings per share attributable to owners of the Company (in sen)					
Basic EPS <sup>(i)</sup>	31	(0.22)	(0.09)	(0.60)	(0.17)

## 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 THIRD QUARTER ENDED 31 DECEMBER 2022**

	Individual Quarter 3 months ended 31 December 2022	Cumulative 9 months ended 31 December 2022
	<u>RM</u>	<u>RM</u>
(a) Interest income	5,273	14,244
(b) Other income including investment income	28,427	81,820
(c) Gain / (Loss) on disposal of quoted / unquoted investment or properties	n/a	n/a
(d) Gain / (Loss) on foreign exchange	(44,609)	(58,389)
(e) Gain / (Loss) on derivatives	n/a	n/a
(f) Interest expense	12,861	33,443
(g) Depreciation	75,520	203,309
(h) Amortization	379,435	1,067,240
(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 31 DECEMBER 2022

	Note	31 December 2022 (Unaudited) RM	30 March 2022 (Audited) RM
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment		3,426,730	3,767,428
Investment Property		282,369	282,727
Goodwill and Other Intangible Assets		2,509,828	2,809,450
Investment in Associate Company		1,720,431	2,006,624
		<u>7,939,358</u>	<u>8,866,229</u>
<b>Current Assets</b>			
Trade and Other Receivables	26	2,466,878	4,589,589
Inventory	25	873,271	479,837
Current Tax Assets		265,527	165,927
Cash and Cash Equivalents	20	4,352,634	3,519,602
		<u>7,958,310</u>	<u>8,754,955</u>
<b>TOTAL ASSETS</b>		<u>15,897,668</u>	<u>17,621,184</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital		30,400,368	30,400,368
ESOS Reserve		280,043	294,229
Exchange Translation, non-distributable (Accumulated Losses) / Retained Profits		123,095	738,165
		<u>(19,842,030)</u>	<u>(18,318,803)</u>
<b>Equity attributable to owners of the Company</b>		10,961,476	13,113,959
Non-controlling Interests		<u>(441,118)</u>	<u>(399,446)</u>
<b>TOTAL EQUITY</b>		<u>10,520,358</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	1,618,183	1,215,991
Other Liabilities		230,045	379,584
Contract Liabilities	23	1,166,567	1,455,856
Amount due to director		592,096	592,096
Lease liabilities	24	-	-
Bank overdraft	20	1,002,253	1,169,964
Trade Facilities	21	766,544	90,542
Current Tax Liabilities		1,622	2,638
		<u>5,377,310</u>	<u>4,906,671</u>
<b>TOTAL LIABILITIES</b>		<u>5,377,310</u>	<u>4,906,671</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>15,897,668</u>	<u>17,621,184</u>
Net assets per share attributable to owners of the Company (sen) <sup>(ii)</sup>		4.29	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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 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		-	-	-	(1,523,227)	(1,523,227)	(41,672)	(1,564,899)
Other comprehensive loss								
Exchange translation differences		-	(615,070)	-	-	(615,070)	-	(615,070)
Share-based payment transaction		-	-	(14,186)	-	(14,186)	-	(14,186)
At 31 December 2022		30,400,368	123,095	280,043	(19,842,030)	10,961,476	(441,118)	10,520,358

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 THIRD QUARTER ENDED 31 DECEMBER 2022

Note	9 MONTHS	YEAR ENDED
	ENDED 31 DECEMBER (UNAUDITED)	31 MARCH (AUDITED)
	2022	2022
	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(1,550,834)	(225,274)
Adjustments for:-		
Depreciation of property, plant and equipment	202,951	290,259
Depreciation of investment property	358	477
Depreciation of right-of-use asset	-	-
Amortisation of software development costs	1,066,028	1,512,371
Amortisation of membership	1,212	1,616
Share of result of associates	278,030	(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	(14,186)	164,146
Goodwill written off	-	-
Property, plant and equipment written off	-	-
Realised (gain) / loss on foreign exchange	55,786	-
Unrealised (gain) / loss on foreign exchange	(651)	21,016
Gain on acquisition of subsidiary	-	-
Gain on disposal of subsidiary	-	-
Gain on deconsolidation of subsidiary	-	-
Dividend income	(19,594)	(28,767)
Interest income	(14,244)	(5,541)
Interest expense	33,443	48,104
Lease liabilities interest	-	-
Operating (loss) / profit before working capital changes	38,299	1,583,044
Receipts from customers	11,280,981	13,053,113
Changes in receivables	(8,779,074)	(15,118,793)
Payments to suppliers, contractors and employees	(9,008,208)	(12,396,253)
Changes in payables	8,387,517	13,159,708
Changes in contract liabilities	(289,289)	592,721
Changes in inventories	(393,434)	(479,837)
Cash used in operations	1,236,792	393,703
Dividend received	19,594	28,767
Interest received	14,244	5,541
Interest paid	(33,443)	(48,104)
Tax (paid) / refund	(101,177)	(179,888)
Net cash used in operating activities	1,136,010	200,019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(64,089)	(30,141)
Changes in software development costs	(767,618)	(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	(831,707)	(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	676,002	90,542
Payment of lease liabilities	-	-
Lease liabilities interest	-	-
Net cash (used in) / from financing activities	676,002	90,542
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	980,305	(1,051,199)
<b>EFFECT OF CHANGES IN EXCHANGE RATES</b>	20,438	(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>3,350,381</u>	<u>2,349,638</u>
Represented by:		
<b>CASH AND BANK BALANCES</b>	4,352,634	3,519,602
<b>BANK OVERDRAFT</b>	(1,002,253)	(1,169,964)
	<u>3,350,381</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  
Amendments to MFRS 101      Non-current Liabilities with Covenants

**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	
	2022 RM	2021 RM	2022 RM	2021 RM
<u>Segment Revenue</u>				
Revenue from operations:				
Software	1,422,979	1,322,491	3,804,078	3,689,760
Solar	969,577	1,401,842	5,358,974	2,813,042
Total revenue	<u>2,392,556</u>	<u>2,724,333</u>	<u>9,163,052</u>	<u>6,502,802</u>
Elimination of inter- segment sales	-	-	-	-
External sales	<u>2,392,556</u>	<u>2,724,333</u>	<u>9,163,052</u>	<u>6,502,802</u>
Interest revenue	<u>5,273</u>	<u>173</u>	<u>14,244</u>	<u>726</u>

**Segmental Information (continued)**

	3 months ended 31 December		Cumulative 9 months ended 31 December	
	2022 RM	2021 RM	2022 RM	2021 RM
<u>Segment Results</u>				
Results from operations:				
Software	(308,310)	312,543	(752,782)	(162,417)
Solar	(97,958)	(616,584)	(486,579)	(349,146)
	(406,268)	(304,041)	(1,239,361)	(511,563)
Finance cost	(12,861)	(12,014)	(33,443)	(27,580)
Share of associate’s profit	(158,536)	(106,464)	(278,030)	33,661
Tax expense	(6,577)	(60,367)	(14,065)	(97,253)
Non-controlling interests	11,859	265,502	41,672	161,855
Total results	(572,383)	(217,384)	(1,523,227)	(440,880)

**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 20 February 2023 (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 RM2,392,556 which was a decrease of 12.2% as compared to a revenue of RM2,724,333 recorded in the preceding year corresponding quarter ended 31 December 2021. There was gross profit of RM425,286 for the quarter under review which was a decrease of 15.3% as compared to gross profit of RM502,256 for the preceding year corresponding quarter ended 31 December 2021. Net loss from operations for the quarter under review was RM406,268 as compared to net loss of RM304,041 recorded in the preceding year corresponding quarter ended 31 December 2021. The increase in net loss from operations was due to fewer contracts secured while direct workforce was maintained at the back of a softer market outlook.



***Review of Performance (continued)***

**Software Segment**

For the quarter under review, the software segment recorded a revenue of RM1,422,979 which was an increase of 7.6% as compared to a revenue of RM1,322,491 recorded in the preceding year corresponding quarter ended 31 December 2021.

Net loss from operations for the quarter under review was RM308,310 as compared to net profit from operations of RM312,543 for the preceding year corresponding quarter ended 31 December 2022. This was due to relatively fewer contracts secured and the delay in project delivery by customers affecting the billing progress. Direct workforce was also increased in 2022.

**Solar Segment**

For the quarter under review, the solar segment recorded a revenue of RM969,577 which was a decrease of 30.8% as compared to a revenue of RM1,401,842 recorded in the preceding year corresponding quarter ended 31 December 2021. The decrease in revenue was due to fewer projects were secured and executed during the quarter under review.

Net loss from operations for the quarter under review was RM97,958 as compared to net loss from operations of RM616,584 recorded for the preceding year corresponding quarter ended 31 December 2021. This was due to better margin as compared to last year immediately post pandemic.

**Cumulative Quarters - Group**

For the nine months period ended 31 December 2022, Ygl Group recorded a revenue of RM9,163,052 which was an increase of 40.9% as compared to a revenue of RM6,502,802 achieved in the preceding year nine months period ended 31 December 2021. There was gross profit of RM1,210,986 for the nine months period as compared to gross profit of RM1,978,199 recorded in the preceding year nine months period ended 31 December 2021. This was due to relatively fewer contracts secured and delivered at the back of increased direct workforce. There was also increase in marketing and branding activities during the period under review.

**Software Segment**

For the nine months ended 31 December 2022, the software segment recorded a revenue of RM3,804,078 as compared to a revenue of RM3,689,750 recorded in the preceding year nine months period ended 31 December 2021. There was net loss from operations of RM752,782 as compared to net loss from operations of RM162,417 recorded in the preceding year nine months period ended 31 December 2021. This was due to relatively fewer contracts secured and the delay in project delivery by customers affecting the billing progress. Direct workforce was also increased in 2022.

**Solar Segment**

For the nine months ended 31 December 2022, the solar segment recorded a revenue of RM5,358,974 as compared to a revenue of RM2,813,042 recorded in the preceding year nine months period ended 31 December 2021. There was net loss from operations of RM486,579 as compared to net loss from operations of RM349,146 recorded in the preceding year nine months period ended 31 December 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 RM577,665 for the quarter under review as compared to a net profit before tax of RM6,595 recorded in the preceding second quarter ended 30 September 2022.

The software segment recorded revenue of RM1,422,979 and net loss of RM308,310 during the quarter under review as compared to the preceding second quarter ended 30 September 2022 which recorded revenue of RM1,473,328 and net profit of RM12,320. This was mainly due to fewer contracts secured while direct workforce was maintained and increase in marketing and branding activities during current quarter under review as compared to the preceding second quarter ended 30 September 2022.

The solar segment recorded revenue of RM969,577 and net loss of RM97,958 during the quarter under review as compared to the preceding second quarter ended 30 September 2022 which recorded revenue of RM1,990,101 and net profit of RM54,025. This was due to fewer contracts secured and executed while direct workforce was maintained during current quarter under review as compared to the preceding quarter ended 30 September 2022.

**16. Corporate Proposals**

There are no other corporate proposals announced but not completed as at the date of announcement as at 20 February 2023 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

**17. Prospects for 2023**

The “Great Reset” caused by the pandemic has thoroughly altered the structure on which our society and economy are built. The significance of environment, social and governance (ESG) is thrust to the forefront for businesses to take responsibilities for their operations and undertakings. Digital solutions have become a must and businesses have their parts to do to make the global supply chain resilient to disruption.

Amid the uncertain global economy which is further pressured by geopolitical tension, war, crisis and high inflation, small and medium sized enterprises (SMEs) must take advantage of digital solutions to optimise their scarce resources. Ygl’s proprietary products such as smart warehouse, smart manufacturing and core enterprise resource planning (ERP) which include Artificial Intelligence (AI), Industry 4.0, robotics, cloud deployment, remote learning are in line with the government’s initiatives to accelerate the adoption of digital solutions in Malaysia. Ygl is cautiously optimistic that Ygl is in position as a solution provider to accelerate digitalisation in the Asian region.

Ygl is in line with the government’s policy to gradually achieve low carbon emission in the country and our solar segment has the opportunity to be part of the green economy to enable our customers to reduce their carbon footprint.

**18. Taxation**

	3 months ended 31 December		Cumulative 9 months ended 31 December	
	2022	2021	2022	2021
	RM	RM	RM	RM
Current tax expense				
Malaysian income tax	6,577	60,341	14,065	110,954
Foreign tax	-	26	-	(13,701)
	<u>6,577</u>	<u>60,367</u>	<u>14,065</u>	<u>97,253</u>
Deferred tax expense	-	-	-	-
Total income tax expense	<u>6,577</u>	<u>60,367</u>	<u>14,065</u>	<u>97,253</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 2022	As at 31 December 2021
	RM	RM
Cash and bank balances	4,352,634	3,109,248
Less: Overdraft	(1,002,253)	(1,008,768)
	<u>3,350,381</u>	<u>2,100,480</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 2022	As at 31 December 2021
	RM	RM
<u>Payable within 12 months</u>		
Secured – Trade Facilities	1,002,253	1,281,209
<u>Payable after 12 months</u>		
Secured – Trade Facilities	-	-
Total	<u>1,002,253</u>	<u>1,281,209</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 20 February 2023 (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 31 December 2022 RM</b>	<b>As at 31 December 2021 RM</b>
Contract liabilities	1,166,567	724,742

**24. Lease Liabilities**

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

	<b>As at 31 December 2022 RM</b>	<b>As at 31 December 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 31 December 2022 RM</b>	<b>As at 31 December 2021 RM</b>
Inventory	873,271	273,721

**26. Financial Instruments**

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

	<b>As at 31 December 2022 RM</b>	<b>As at 31 December 2021 RM</b>
<u>Financial assets</u>		
Account receivables	1,971,711	5,935,457
Other receivables, prepayments and deposits paid	495,167	4,710,246
Cash and cash equivalents	4,352,634	3,109,248
	6,819,512	13,754,951

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

	<b>As at 31 December 2022 RM</b>	<b>As at 31 December 2021 RM</b>
<u>Financial liabilities at amortised cost</u>		
Account payables	455,324	1,659,991
Other payables, accruals and deposits received	1,392,904	5,630,542
Bank overdraft	1,002,253	1,008,768
Trade Facilities	766,544	1,281,209
Amount owing to directors	592,096	592,096
	4,209,121	10,172,606

All other financial instruments are carried at amounts not materially different from their fair values as at 31 December 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 31 December 2022 RM</b>	<b>As at 31 December 2021 RM</b>
Up to 90 days	1,160,613	4,847,219
>90 to 180 days	123,502	788,241
>180 to 360 days	219,804	85,326
>360 days	467,792	214,671
Total amount	1,971,711	5,935,457

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 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 31 December</b>		<b>Cumulative 9 months ended 31 December</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)	(572,383)	(217,384)	(1,523,227)	(440,880)
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)	(0.22)	(0.09)	(0.60)	(0.17)