

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023

	Note	Individual Quarter 3 months ended 31 March		Cumulative Quarter 12 months ended 31 March	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Continuing Operations</b>					
Revenue	14	2,669,364	7,347,526	11,832,416	13,852,548
Cost of Sales		(1,786,572)	(6,340,391)	(9,738,638)	(10,889,410)
Gross Profit / (Loss)		882,792	1,007,135	2,093,778	2,963,138
Other Operating Income		36,641	36,121	132,705	159,301
Selling and Distribution Costs		(78,410)	(49,334)	(282,739)	(147,046)
Administrative Expenses		(389,174)	(457,235)	(1,551,499)	(1,466,669)
Other Operating Expenses		(563,648)	(479,971)	(1,743,405)	(1,960,377)
<b>(Loss) / Profit for the period from continuing operations</b>		<b>(111,799)</b>	<b>56,716</b>	<b>(1,351,160)</b>	<b>(451,653)</b>
Finance Costs		(15,534)	(12,603)	(48,977)	(48,104)
Share of Results of Associate Company		339,772	240,923	61,742	274,483
<b>(Loss) / Profit Before Tax</b>	15	<b>212,439</b>	<b>285,036</b>	<b>(1,338,395)</b>	<b>(225,274)</b>
Income Tax Expense	18	(6,125)	73,172	(20,190)	(20,139)
<b>(Loss) / Profit for the period</b>		<b>206,314</b>	<b>358,208</b>	<b>(1,358,585)</b>	<b>(245,413)</b>
<b>Profit attributable to :</b>					
Owners of the Company		195,328	363,656	(1,327,899)	(77,568)
Non-controlling interests		10,986	(5,448)	(30,686)	(167,845)
<b>(Loss) / Profit for the period</b>		<b>206,314</b>	<b>358,208</b>	<b>(1,358,585)</b>	<b>(245,413)</b>
<b>Other comprehensive income</b>					
Item that may be reclassified subsequently to profit or loss Exchange differences on translation of foreign operation		6,273	3,503	(608,797)	6,090
<b>Total Comprehensive (Loss) / Income for the period</b>		<b>212,587</b>	<b>361,711</b>	<b>(1,967,382)</b>	<b>(239,323)</b>
Total comprehensive (loss) / income attributable to:					
Owners of the Company		201,601	367,159	(1,936,696)	(69,672)
Non-controlling interests		10,986	(5,448)	(30,686)	(169,651)
		<b>212,587</b>	<b>361,711</b>	<b>(1,967,382)</b>	<b>(239,323)</b>
Earnings per share attributable to owners of the Company (in sen)					
Basic EPS <sup>(i)</sup>	31	0.08	0.14	(0.52)	(0.03)

## 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 FOURTH QUARTER ENDED 31 MARCH 2023

	Individual Quarter 3 months ended 31 March 2023	Cumulative 12 months ended 31 March 2023
	RM	RM
(a) Interest income	6,544	20,788
(b) Other income including investment income	12,044	93,864
(c) Gain / (Loss) on disposal of quoted / unquoted investment or properties	n/a	n/a
(d) Gain / (Loss) on foreign exchange	412	(57,977)
(e) Gain / (Loss) on derivatives	n/a	n/a
(f) Interest expense	15,534	48,977
(g) Depreciation	68,012	271,321
(h) Amortization	297,481	1,364,721
(i) Provision for and write-off of receivables	154,426	154,426
(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 MARCH 2023

	Note	31 March 2023 (Unaudited) RM	31 March 2022 (Audited) RM
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment		3,360,053	3,767,428
Investment Property		282,250	282,727
Goodwill and Other Intangible Assets		2,482,311	2,809,450
Investment in Associate Company		2,060,203	2,006,624
		<u>8,184,817</u>	<u>8,866,229</u>
<b>Current Assets</b>			
Trade and Other Receivables	26	2,797,438	4,589,589
Inventory	25	813,968	479,837
Current Tax Assets		265,527	165,927
Cash and Cash Equivalents	20	3,889,689	3,519,602
		<u>7,766,622</u>	<u>8,754,955</u>
<b>TOTAL ASSETS</b>		<u>15,951,439</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		129,368	738,165
		<u>(19,646,702)</u>	<u>(18,318,803)</u>
<b>Equity attributable to owners of the Company</b>		<u>11,163,077</u>	<u>13,113,959</u>
Non-controlling Interests		<u>(430,132)</u>	<u>(399,446)</u>
<b>TOTAL EQUITY</b>		<u>10,732,945</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	1,172,140	1,215,991
Other Liabilities		215,808	379,584
Contract Liabilities	23	1,530,285	1,455,856
Amount due to director		592,096	592,096
Lease liabilities	24	-	-
Bank overdraft	20	1,198,828	1,169,964
Trade Facilities	21	500,789	90,542
Current Tax Liabilities		8,548	2,638
		<u>5,218,494</u>	<u>4,906,671</u>
<b>TOTAL LIABILITIES</b>		<u>5,218,494</u>	<u>4,906,671</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>15,951,439</u>	<u>17,621,184</u>
Net assets per share attributable to owners of the Company (sen) <sup>(ii)</sup>		4.37	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 FOURTH QUARTER ENDED 31 MARCH 2023**

	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		-	-	-	(1,327,899)	(1,327,899)	(30,686)	(1,358,585)
Other comprehensive loss								
Exchange translation differences		-	(608,797)	-	-	(608,797)	-	(608,797)
Share-based payment transaction		-	-	(14,186)	-	(14,186)	-	(14,186)
At 31 March 2023		30,400,368	129,368	280,043	(19,646,702)	11,163,077	(430,132)	10,732,945

*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 FOURTH QUARTER ENDED 31 MARCH 2023

Note	12 MONTHS ENDED 31 MARCH (UNAUDITED)	YEAR ENDED 31 MARCH (AUDITED)
	2023 RM	2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(1,338,395)	(225,274)
Adjustments for:-		
Depreciation of property, plant and equipment	270,844	290,259
Depreciation of investment property	477	477
Depreciation of right-of-use asset	-	-
Amortisation of software development costs	1,364,721	1,512,371
Amortisation of membership	1,616	1,616
Share of result of associates	(61,742)	(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	55,594	-
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	(26,964)	(28,767)
Interest income	(20,788)	(5,541)
Interest expense	48,977	48,104
Lease liabilities interest	-	-
Operating (loss) / profit before working capital changes	280,805	1,583,044
Receipts from customers	13,586,539	13,053,113
Changes in receivables	(11,413,635)	(15,118,793)
Payments to suppliers, contractors and employees	(11,607,264)	(12,396,253)
Changes in payables	10,676,055	13,159,708
Changes in contract liabilities	(74,429)	592,721
Changes in inventories	(334,131)	(479,837)
Cash used in operations	1,113,940	393,703
Dividend received	26,964	28,767
Interest received	20,788	5,541
Interest paid	(48,977)	(48,104)
Tax (paid) / refund	(102,772)	(179,888)
Net cash used in operating activities	1,009,943	200,019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(65,305)	(30,141)
Changes in software development costs	(1,039,197)	(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	(1,104,502)	(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	410,247	90,542
Payment of lease liabilities	-	-
Lease liabilities interest	-	-
Net cash (used in) / from financing activities	410,247	90,542
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	315,688	(1,051,199)
<b>EFFECT OF CHANGES IN EXCHANGE RATES</b>	25,535	(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>2,690,861</u>	<u>2,349,638</u>
Represented by:		
<b>CASH AND BANK BALANCES</b>	3,889,689	3,519,602
<b>BANK OVERDRAFT</b>	(1,198,828)	(1,169,964)
	<u>2,690,861</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 March		Cumulative 12 months ended 31 March	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Segment Revenue</u>				
Revenue from operations:				
Software	1,421,605	1,885,793	5,225,683	5,463,918
Solar	1,247,759	5,461,733	6,606,733	8,388,630
Total revenue	<u>2,669,364</u>	<u>7,347,526</u>	<u>11,832,416</u>	<u>13,852,548</u>
Elimination of inter- segment sales	-	-	-	-
External sales	<u>2,669,364</u>	<u>7,347,526</u>	<u>11,832,416</u>	<u>13,852,548</u>
Interest revenue	<u>6,544</u>	<u>4,815</u>	<u>20,788</u>	<u>5,541</u>

**Segmental Information (continued)**

	3 months ended 31 March		Cumulative 12 months ended 31 March	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Segment Results</u>				
Results from operations:				
Software	(177,415)	103,821	(930,197)	(156,138)
Solar	65,616	(47,105)	(420,963)	(295,515)
	(111,799)	56,716	(1,351,160)	(451,653)
Finance cost	(15,534)	(12,603)	(48,977)	(48,104)
Share of associate’s profit	339,772	240,923	61,742	274,483
Tax expense	(6,125)	73,172	(20,190)	(20,139)
Non-controlling interests	(10,986)	5,448	30,686	167,845
Total results	195,328	363,656	(1,327,899)	(77,568)

**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 May 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 RM2,669,364 which was a decrease of 63.7% as compared to a revenue of RM7,347,526 recorded in the preceding year corresponding quarter ended 31 March 2022. There was gross profit of RM882,792 for the quarter under review which was a decrease of 12.4% as compared to gross profit of RM1,007,135 for the preceding year corresponding quarter ended 31 March 2022.



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

Net loss from operations for the quarter under review was RM111,799 as compared to net profit of RM56,716 recorded in the preceding year corresponding quarter ended 31 March 2022. This was mainly due to increase in the cost of direct workforce, execution of contracts committed to customers in the preceding year corresponding quarter amid increased material costs resulting from supply chain constraints and provisions made during the financial year end.

#### Software Segment

For the quarter under review, the software segment recorded a revenue of RM1,421,605 which was a decrease of 24.6% as compared to a revenue of RM1,885,793 recorded in the preceding year corresponding quarter ended 31 March 2022.

Net loss from operations for the quarter under review was RM177,415 as compared to net profit from operations of RM103,821 for the preceding year corresponding quarter ended 31 March 2022. This was due to lower revenue recorded during the quarter under review.

#### Solar Segment

For the quarter under review, the solar segment recorded a revenue of RM1,247,759 which was a decrease of 77.1% as compared to a revenue of RM5,461,733 recorded in the preceding year corresponding quarter ended 31 March 2022. The decrease in revenue was due to fewer projects were secured and executed during the quarter under review.

Notwithstanding a decrease in revenue recorded, net profit from operations for the quarter under review was RM65,616 as compared to net loss from operations of RM47,105 recorded for the preceding year corresponding quarter ended 31 March 2022. This was due to better margin as compared to last year immediately post pandemic with increased material costs.

#### Cumulative Quarters - Group

For the twelve months period ended 31 March 2023, Ygl Group recorded a revenue of RM11,832,416 which was a decrease of 14.6% as compared to a revenue of RM13,852,548 recorded in the preceding year corresponding twelve months period ended 31 March 2022. There was gross profit of RM2,093,778 for the twelve months period as compared to gross profit of RM2,963,138 recorded in the preceding year corresponding twelve months period ended 31 March 2022. This was due to lower revenue recorded resulting from relatively fewer contracts secured and delivered at the back of increased direct workforce.

#### Software Segment

For the twelve months ended 31 March 2023, the software segment recorded a revenue of RM5,225,683 as compared to a revenue of RM5,463,918 recorded in the preceding year corresponding twelve months period ended 31 March 2022. There was net loss from operations of RM930,197 as compared to net loss from operations of RM156,138 recorded in the preceding year corresponding twelve months period ended 31 March 2022. This was due to fewer contracts secured amidst uncertainties in the world economy as a result of customers delaying in awarding their projects. Direct workforce both in delivery and marketing was also increased in 2023.

#### Solar Segment

For the twelve months ended 31 March 2023, the solar segment recorded a revenue of RM6,606,733 as compared to a revenue of RM8,388,630 recorded in the preceding year corresponding twelve months period ended 31 March 2022. There was net loss from operations of RM420,963 as compared to net loss from operations of RM295,515 recorded in the preceding year corresponding twelve months period ended 31 March 2022. This was due to lower revenue recorded during the year and execution of certain 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 net profit before tax of RM212,439 for the quarter under review as compared to a net loss before tax of RM577,665 recorded in the preceding third quarter ended 31 December 2022.

The software segment recorded revenue of RM1,421,605 and net loss of RM177,415 during the quarter under review as compared to the preceding third quarter ended 31 December 2022 which recorded revenue of RM1,422,979 and net loss of RM308,310. This was mainly due to certain work in progress which had been carried out in the preceding quarter, the billing of which fell into this quarter.

The solar segment recorded revenue of RM1,247,759 and net profit of RM65,616 during the quarter under review as compared to the preceding third quarter ended 31 December 2022 which recorded revenue of RM969,577 and net loss of RM97,958. This was due to higher revenue recorded during current quarter under review as compared to the preceding quarter ended 31 December 2022.

## **16. Corporate Proposals**

The status of corporate proposal announced but not completed as at the date of issue of this interim financial report are as follows:

On 22 May 2023, on behalf of the Board of Directors of Ygl Convergence Berhad ("Ygl"), Alliance Islamic Bank Berhad announced that Ygl proposes to undertake the following proposals:

- (i) proposed private placement of up to 51,709,008 new ordinary shares in Ygl ("**Ygl Shares**" or "**Shares**"), representing up to 20% of the enlarged number of issued Shares of Ygl ("**Proposed Private Placement**"); and
- (ii) proposed reduction of the issued share capital of Ygl pursuant to Section 117 of the Companies Act 2016 ("**Proposed Capital Reduction**").

The Proposed Private Placement and Proposed Capital Reduction are collectively referred to as the "**Proposals**".

## **17. Prospects for 2023**

### Software segment

In the short term, the software market is affected by market uncertainties due to inflationary pressure and the sanctions imposed by the US which have impacted global manufacturers and its supply chains where their revenue have been reduced significantly. Cash flow in the market is tight and manufacturers including small and medium sized enterprises are cautious in their spending and delay their investment in ERP systems.

There will be a period of time for the market to make adjustments to the interest rate hikes by the US Federal Reserve as well as Bank Negara. As such, the software segment foresees slow market recovery until the medium term.

### **Prospects for 2023 (continued)**

Digitalisation of business and manufacturing processes are crucial in the long term due to increasing scarcity of resources, increasing prices of raw materials and human capital cost. Automation, Artificial Intelligence (“AI”), machine learning (“ML”) will be inevitable for businesses to manage and optimise their resources to stay competitive into the future.

Ygl’s proprietary products such as smart warehouse, smart manufacturing and core ERP systems which include AI, Industry 4.0, robotics and cloud deployment are in line with the 10-year Digital Economy Blueprint of Malaysia for the period 2021 to 2030 with digitalisation grants and incentives provided by the Malaysian government especially to the manufacturing sector. Ygl is cautiously optimistic that its position as niche solution provider for manufacturers and distributors in Malaysia will be further enhanced.

#### Solar segment

Renewable energy (“RE”) is the only way forward for our world in addressing the issues of fossil fuel and natural gases depletion and most importantly climate change. The opportunities abound in renewable energy sector as the electricity generated in Malaysia is merely 2% by RE sources including solar power. Both Malaysian Investment Development Authority (MIDA) and Sustainable Energy Development Authority Malaysia (SEDA) offer tax incentives and Net Energy Metering Programme respectively to promote the installation of solar system in Malaysia. Ygl solar segment is well positioned to increase its market share in Malaysia.

## **18. Taxation**

	<b>3 months ended 31 March</b>		<b>Cumulative 12 months ended 31 March</b>	
	<b>2023 RM</b>	<b>2022 RM</b>	<b>2023 RM</b>	<b>2022 RM</b>
Current tax expense				
Malaysian income tax	6,125	(74,233)	20,190	20,139
Foreign tax	-	1,061	-	-
	<u>6,125</u>	<u>(73,172)</u>	<u>20,190</u>	<u>20,139</u>
Deferred tax expense	-	-	-	-
Total income tax expense	<u>6,125</u>	<u>(73,172)</u>	<u>20,190</u>	<u>20,139</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**

	<b>As at 31 March 2023 RM</b>	<b>As at 31 March 2022 RM</b>
Cash and bank balances	3,889,689	3,519,602
Less: Overdraft	(1,198,828)	(1,169,964)
	2,690,861	2,349,638

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:

	<b>As at 31 March 2023 RM</b>	<b>As at 31 March 2022 RM</b>
<u>Payable within 12 months</u>		
Secured – Trade Facilities	500,789	90,542
<u>Payable after 12 months</u>		
Secured – Trade Facilities	-	-
Total	500,789	90,542

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 May 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 March 2023 RM</b>	<b>As at 31 March 2022 RM</b>
Contract liabilities	1,530,285	1,455,856

**24. Lease Liabilities**

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

	<b>As at 31 March 2023 RM</b>	<b>As at 31 March 2022 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 March 2023 RM</b>	<b>As at 31 March 2022 RM</b>
Inventory	813,968	479,837

**26. Financial Instruments**

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

	<b>As at 31 March 2023 RM</b>	<b>As at 31 March 2022 RM</b>
<u>Financial assets</u>		
Account receivables	2,375,217	3,939,087
Other receivables, prepayments and deposits paid	422,221	650,502
Cash and cash equivalents	3,889,689	3,519,602
	6,687,127	8,109,191

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

	<b>As at 31 March 2023 RM</b>	<b>As at 31 March 2022 RM</b>
<u>Financial liabilities at amortised cost</u>		
Account payables	286,294	811,223
Other payables, accruals and deposits received	1,101,654	784,352
Bank overdraft	1,198,828	1,169,964
Trade Facilities	500,789	90,542
Amount owing to directors	592,096	592,096
	3,679,661	3,448,177

***Financial Instruments (continued)***

All other financial instruments are carried at amounts not materially different from their fair values as at 31 March 2023.

**Financial Risk Management Objectives and Policies**

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

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

The Group’s risk management policies include:

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

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

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

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

**Trade Receivables**

Aging analysis of financial assets:

	<b>As at 31 March 2023 RM</b>	<b>As at 31 March 2022 RM</b>
Up to 90 days	2,119,354	3,153,108
>90 to 180 days	100,963	709,976
>180 to 360 days	63,608	76,003
>360 days	91,292	-
Total amount	2,375,217	3,939,087

***Financial Instruments (continued)***

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 fourth quarter ended 31 March 2023, there was no significant related party transaction entered by the Group.

**28. Material Litigation**

Neither the Company nor its subsidiary companies is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary companies and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies.

**29. Profit Estimate/Forecast**

Not applicable.

**30. Dividend**

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

**31. Earnings Per Share**

The basic earnings per share of the Group is calculated by dividing the net profit for the period by the weighted average number of ordinary shares.

	3 months ended 31 March		Cumulative 12 months ended 31 March	
	2023	2022	2023	2022
Profits/(Loss) for the period attributable to Owners of the Company (RM)	195,328	363,656	(1,327,899)	(77,568)
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)	0.08	0.14	(0.52)	(0.03)