

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED 30 JUNE 2023**

	Note	Individual Quarter 3 months ended 30 June		Cumulative Quarter 3 months ended 30 June	
		2023 RM	2022 RM	2023 RM	2022 RM
Continuing Operations					
Revenue	14	2,117,146	3,307,067	2,117,146	3,307,067
Cost of Sales		<u>(1,366,813)</u>	<u>(3,443,911)</u>	<u>(1,366,813)</u>	<u>(3,443,911)</u>
Gross Profit / (Loss)		750,333	(136,844)	750,333	(136,844)
Other Operating Income		53,990	30,210	53,990	30,210
Selling and Distribution Costs		(62,620)	(49,243)	(62,620)	(49,243)
Administrative Expenses		(320,591)	(361,902)	(320,591)	(361,902)
Other Operating Expenses		(345,142)	(381,659)	(345,142)	(381,659)
(Loss) / Profit for the period from continuing operations		<u>75,970</u>	<u>(899,438)</u>	<u>75,970</u>	<u>(899,438)</u>
Finance Costs		(14,678)	(10,464)	(14,678)	(10,464)
Share of Results of Associate Company		(61,410)	(69,862)	(61,410)	(69,862)
(Loss) / Profit Before Tax	15	<u>(118)</u>	<u>(979,764)</u>	<u>(118)</u>	<u>(979,764)</u>
Income Tax Expense	18	(5,196)	(30,212)	(5,196)	(30,212)
(Loss) / Profit for the period		<u>(5,314)</u>	<u>(1,009,976)</u>	<u>(5,314)</u>	<u>(1,009,976)</u>
Profit attributable to :					
Owners of the Company		(2,337)	(980,899)	(2,337)	(980,899)
Non-controlling interests		(2,977)	(29,077)	(2,977)	(29,077)
(Loss) / Profit for the period		<u>(5,314)</u>	<u>(1,009,976)</u>	<u>(5,314)</u>	<u>(1,009,976)</u>
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operation		220,188	(615,988)	220,188	(615,988)
Total Comprehensive (Loss) / Income for the period		<u>214,874</u>	<u>(1,625,964)</u>	<u>214,874</u>	<u>(1,625,964)</u>
Total comprehensive (loss) / income attributable to:					
Owners of the Company		217,851	(1,596,887)	217,851	(1,596,887)
Non-controlling interests		(2,977)	(29,077)	(2,977)	(29,077)
		<u>214,874</u>	<u>(1,625,964)</u>	<u>214,874</u>	<u>(1,625,964)</u>
Earnings per share attributable to owners of the Company (in sen)					
Basic EPS ⁽ⁱⁱ⁾	31	(0.00)	(0.38)	(0.00)	(0.38)

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 2023 and the accompanying explanatory notes attached to the interim financial statements.

**NOTES TO CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED 30 JUNE 2023**

	Individual Quarter 3 months ended 30 June 2023 <u>RM</u>	Cumulative 3 months ended 30 June 2023 <u>RM</u>
(a) Interest income	7,171	7,171
(b) Other income including investment income	23,145	23,145
(c) Gain / (Loss) on disposal of quoted / unquoted investment or properties	n/a	n/a
(d) Gain / (Loss) on foreign exchange	22,274	22,274
(e) Gain / (Loss) on derivatives	n/a	n/a
(f) Interest expense	14,678	14,678
(g) Depreciation	65,550	65,550
(h) Amortization	270,739	270,739
(i) Provision for and write-off of receivables	-	-
(j) Provision for and write-off of inventories	-	-
(k) Exceptional item	-	-

n/a denotes not applicable

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Note	30 June 2023 (Unaudited) RM	30 March 2023 (Audited) RM
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		4,255,796	3,566,086
Investment Property		742,131	282,250
Goodwill and Other Intangible Assets		2,444,467	2,482,310
Investment in Associate Company		2,006,956	2,068,366
		<u>9,449,350</u>	<u>8,399,012</u>
Current Assets			
Trade and Other Receivables	26	2,479,768	2,596,301
Inventory	25	691,276	813,969
Current Tax Assets		265,527	269,164
Cash and Cash Equivalents	20	4,015,732	3,889,689
		<u>7,452,303</u>	<u>7,569,123</u>
TOTAL ASSETS		<u>16,901,653</u>	<u>15,968,135</u>
EQUITY AND LIABILITIES			
Equity			
Share Capital		30,400,368	30,400,368
ESOS Reserve		258,901	280,043
Revaluation Reserve		1,421,174	-
Exchange Translation, non-distributable (Accumulated Losses) / Retained Profits		343,533	123,345
		<u>(19,631,702)</u>	<u>(19,629,365)</u>
Equity attributable to owners of the Company		12,792,274	11,174,391
Non-controlling Interests		<u>(19,432)</u>	<u>(430,132)</u>
TOTAL EQUITY		<u>12,772,842</u>	<u>10,744,259</u>
Non-Current Liabilities			
Lease Liabilities	24	-	-
Deferred Tax Liabilities		-	-
		<u>-</u>	<u>-</u>
Current Liabilities			
Trade and Other Payables	26	704,362	1,173,593
Other Liabilities		218,103	219,329
Contract Liabilities	23	1,428,156	1,530,286
Amount due to Director		692,096	592,096
Lease Liabilities	24	-	-
Bank Overdraft	20	1,077,546	1,198,828
Trade Facilities	21	-	500,789
Current Tax Liabilities		8,548	8,955
		<u>4,128,811</u>	<u>5,223,876</u>
TOTAL LIABILITIES		<u>4,128,811</u>	<u>5,223,876</u>
TOTAL EQUITY AND LIABILITIES		<u>16,901,653</u>	<u>15,968,135</u>
Net assets per share attributable to owners of the Company (sen) ⁽ⁱⁱ⁾		5.01	4.37

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 2023 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2023

	Note	Share Capital RM	Exchange Translation Reserve RM	ESOS Reserve RM	Revaluation Reserve RM	Accumulated Losses RM	Total RM	Non-controlling Interests RM	Total Equity RM
<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
Foreign currency translation differences for foreign operations		-	(614,820)	-	-	-	-614,820	-	(614,820)
Share of other comprehensive income of an associate		-	-	-	-	-	-	-	-
Total other comprehensive income		-	(614,820)	-	-	-	(614,820)	-	(614,820)
Net profit for the financial period		-	-	-	-	(1,324,748)	(1,324,748)	(30,686)	(1,355,434)
Total comprehensive loss		-	(614,820)	-	-	(1,324,748)	(1,939,568)	(30,686)	(1,970,254)
Share-based payment transaction		-	-	-	-	-	-	-	-
Granted		-	-	-	-	-	-	-	-
Lapsed due to resignation		-	-	(14,186)	-	14,186	-	-	-
At 31 March 2023		30,400,368	123,345	280,043	-	(19,629,365)	11,174,391	(430,132)	10,744,259
<i>Audited</i>									
At 1 April 2023		30,400,368	123,345	280,043	-	(19,629,365)	11,174,391	(430,132)	10,744,259
Net profit/(loss) for the year		-	-	-	-	(2,337)	(2,337)	(2,977)	(5,314)
Revaluation of properties		-	-	-	1,421,174	-	1,421,174	-	1,421,174
Other comprehensive loss		-	-	-	-	-	-	-	-
Exchange translation differences		-	220,188	-	-	-	220,188	-	220,188
Deconsolidation of a subsidiary		-	-	-	-	-	-	413,677	413,677
Share-based payment transaction		-	-	(21,142)	-	-	(21,142)	-	(21,142)
At 31 June 2023		30,400,368	343,533	258,901	1,421,174	(19,631,702)	12,792,274	(19,432)	12,772,842

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 2023 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2023

Note	3 MONTHS ENDED 30 JUNE (UNAUDITED) 2023 RM	YEAR ENDED 31 MARCH (AUDITED) 2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(118)	(1,335,244)
Adjustments for:-		
Depreciation of property, plant and equipment	65,431	270,844
Depreciation of investment property	119	477
Depreciation of right-of-use asset	-	-
Amortisation of software development costs	270,335	1,364,721
Amortisation of membership	404	1,616
Share of result of associates	61,410	(61,742)
(Write back) / Impairment loss on investment in associate	-	-
(Write back) / Impairment loss on trade receivables	-	-
Impairment loss on intangible assets	-	-
Impairment loss on trade receivables	-	151,275
Bad debts written off	-	-
Share-based payment transactions	(21,142)	(14,186)
Goodwill written off	-	-
Property, plant and equipment written off	-	-
Realised (gain) / loss on foreign exchange	(22,274)	-
Unrealised (gain) / loss on foreign exchange	(105,448)	2,388
Gain on acquisition of subsidiary	-	-
Gain on disposal of subsidiary	-	-
Gain on deconsolidation of subsidiary	-	-
Dividend income	(5,145)	(26,964)
Interest income	(7,171)	(20,790)
Interest expense	14,678	75,241
Lease liabilities interest	-	-
Operating (loss) / profit before working capital changes	<u>251,079</u>	<u>407,636</u>
Receipts from customers	2,315,666	13,586,539
Changes in receivables	(1,967,926)	(11,744,526)
Payments to suppliers, contractors and employees	(2,011,571)	(11,607,264)
Changes in payables	2,321,044	11,404,611
Changes in contract liabilities	(102,130)	74,429
Changes in inventories	122,693	(334,132)
Cash used in operations	<u>928,855</u>	<u>1,787,293</u>
Dividend received	5,145	26,964
Interest received	7,171	20,790
Interest paid	(14,678)	(75,241)
Tax (paid) / refund	(5,196)	(117,169)
Net cash used in operating activities	<u>921,297</u>	<u>1,642,637</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(69,502)
Changes in software development costs	(232,896)	(1,039,197)
Net cash outflow from disposal of subsidiary	-	-
Proceeds from disposal of shares in subsidiary	-	-
Proceeds from other investment	-	-
Net cash used in investing activities	<u>(232,896)</u>	<u>(1,108,699)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividened paid to non-controlling interest	-	-
Proceeds from share issue	-	-
Deconsolidation of subsidiary	-	-
Proceeds from share issue in subsidiary	-	-
Proceeds from/(payment for) trade facility	(500,789)	410,247
Payment of lease liabilities	-	-
Lease liabilities interest	-	-
Net cash (used in) / from financing activities	<u>(500,789)</u>	<u>410,247</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	187,612	944,185
EFFECT OF CHANGES IN EXCHANGE RATES	59,713	(602,962)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	2,690,861	2,349,638
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>2,938,186</u>	<u>2,690,861</u>
Represented by:		
CASH AND BANK BALANCES	4,015,732	3,889,689
BANK OVERDRAFT	<u>(1,077,546)</u>	<u>(1,198,828)</u>
	<u>2,938,186</u>	<u>2,690,861</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 2023 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 2023 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 2023.

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 2023 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 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
Amendments to MFRS 112	International Tax Reform – Pillar two Model Rules

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 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

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 June		Cumulative 3 months ended 30 June	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Segment Revenue</u>				
Revenue from operations:				
Software	1,650,513	907,772	1,650,513	907,772
Solar	466,633	2,399,295	466,633	2,399,295
Total revenue	<u>2,117,146</u>	<u>3,307,067</u>	<u>2,117,146</u>	<u>3,307,067</u>
Elimination of inter- segment sales	-	-	-	-
External sales	<u>2,117,146</u>	<u>3,307,067</u>	<u>2,117,146</u>	<u>3,307,067</u>
Interest revenue	<u>7,171</u>	<u>4,441</u>	<u>7,171</u>	<u>4,441</u>

Segmental Information (continued)

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2023 RM	2022 RM	2023 RM	2022 RM
Segment Results				
Results from operations:				
Software	165,091	(456,792)	165,091	(456,792)
Solar	(89,121)	(442,646)	(89,121)	(442,646)
	75,970	(899,438)	75,970	(899,438)
Finance cost	(14,678)	(10,464)	(14,678)	(10,464)
Share of associate’s profit	(61,410)	(69,862)	(61,410)	(69,862)
Tax expense	(5,196)	(30,212)	(5,196)	(30,212)
Non-controlling interests	2,977	29,077	2,977	29,077
Total results	(2,337)	(980,899)	(2,337)	(980,899)

10. Valuations of Property, Plant & Equipment

The Group has carried out a valuation exercise on its freehold buildings classified under Property, Plant and Equipment (“PPE”) and investment property assets respectively, during the financial quarter ended 30 June 2023. The valuation exercise was carried out to ascertain the current market value of the PPE and investment property assets for accounting purposes. The valuations are performed by an independent professional valuer using the open market value basis.

Gain on revaluation of PPE and investment property

	Carrying amount RM’000	Market value RM’000	Gain RM’000
Property, plant and equipment			
Freehold property	1,039	2,000	961
Investment property	290	750	460
Total	1,329	2,750	1,421

Effect on net assets per share

The net revaluation surplus after deferred tax amounting to RM1,421 million would result in the Group’s consolidated net assets per share to increase by approximately 0.57 sen. The Company has recorded net assets per share of 5.01 sen based on the unaudited financial results of the Group for the first quarter ended 30 June 2023.

	Unaudited before revaluation	Effect of revaluation, net of deferred tax	After revaluation
Equity attributable to owners of the parent (RM’000)	11,371	1,421	12,792
Number of ordinary shares in issue (‘000)	255,515	255,514	255,514
Net assets per share (RM)	4.45 sen	0.56 sen	5.01 sen

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

Save as disclosed below, there are no changes in the composition of the Group:

Disposal of Ygl Convergence (Asia Pacific) Pte. Ltd.

On 25 May 2023, the Company had submitted the application for striking off its 40% owned subsidiary, namely Ygl Convergence (Asia Pacific) Pte. Ltd. (“YGLAP”) to the Accounting and Corporate Regulatory Authority (ACRA) in Singapore, the effect of striking off YGLAP was as follows:

Balance of cash received	RM <u>36,006</u>
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13. Changes in Contingent Liabilities

There is no contingent liability as at 28 August 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 RM2,117,146 which was a decrease of 36.0% as compared to a revenue of RM3,307,067 recorded in the preceding year corresponding quarter ended 30 June 2022. There was gross profit of RM750,333 for the quarter under review as compared to gross loss of RM136,844 for the preceding year corresponding quarter ended 30 June 2022. The decrease in revenue was mainly due to fewer projects secured for the solar segment during the quarter under review however there was improvement in solar project margin during the quarter under review as compared to the preceding year corresponding quarter where gross margin was eroded by increase in material costs for the solar projects which contracts were committed to customers.

Net profit from operations for the quarter under review was RM75,970 as compared to net loss of RM899,438 recorded in the preceding year corresponding quarter ended 30 June 2022. This was mainly due to higher revenue recorded by the software segment and improvement in solar project margin during the quarter under review as compared to the preceding year corresponding quarter where gross margin was eroded by increase in material costs for the solar projects which contracts were committed to customers.

Software Segment

For the quarter under review, the software segment recorded a revenue of RM1,650,513 which was an increase of 81.8% as compared to a revenue of RM907,772 recorded in the preceding year corresponding quarter ended 30 June 2022. Net profit from operations for the quarter under review was RM165,091 as compared to net loss from operations of RM456,792 for the preceding year corresponding quarter ended 30 June 2022. This was due to higher revenue recorded during the quarter under review.

Solar Segment

For the quarter under review, the solar segment recorded a revenue of RM466,633 which was a decrease of 80.6% as compared to a revenue of RM2,399,295 recorded in the preceding year corresponding quarter ended 30 June 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 loss from operations for the quarter under review was RM89,121 as compared to net loss from operations of RM442,646 recorded for the preceding year corresponding quarter ended 30 June 2022. This was due to better margin as compared to the preceding year corresponding quarter where material costs had increased for committed contracts during the period affected by the pandemic.

15. Material Changes in Profit Before Tax Against Preceding Quarter

There was net loss before tax of RM118 for the quarter under review as compared to a net profit before tax of RM212,439 recorded in the preceding fourth quarter ended 31 March 2023. This was mainly due to the share of results of associate company where there was share of loss of RM61,410 during the quarter under review as compared to share of profit of RM399,772 in the preceding quarter.

The software segment recorded revenue of RM1,650,513 and net profit of RM165,091 during the quarter under review as compared to the preceding fourth quarter ended 31 March 2023 which recorded revenue of RM1,421,605 and net loss of RM177,415. This was mainly due to higher revenue recorded during the quarter under review.

The solar segment recorded revenue of RM466,633 and net loss of RM89,121 during the quarter under review as compared to the preceding fourth quarter ended 31 March 2023 which recorded revenue of RM1,247,759 and net profit of RM65,616. This was due to lower revenue recorded during current quarter under review as compared to the preceding quarter ended 31 March 2023.

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 3 July 2023, Bursa Malaysia Securities Berhad had approved the following proposals by the Company:

- (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**").

17. Prospects for 2023

Software segment

The software market will remain soft in the short term due to the market uncertainties caused by the impact of high inflation and the sanctions imposed by the US which have affected global manufacturers and its supply chains where their revenue have been reduced significantly. Cash flow in the market continues to be tight and manufacturers including small and medium sized enterprises are cautious in their spending and delay their investment in ERP systems.

Ygl is cautiously optimistic with the market sentiment improving on the signal of the end of interest hike by the US Federal Reserve.

Digitalisation of business and manufacturing processes are crucial in the long term in view of the 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

Ygl foresees renewable energy (“RE”) will be a current drive in the ESG initiatives of many businesses where accounting and reporting for reduction in carbon emission will become mandatory in the near future. The gradual switch from electricity generated by fuel energy to RE present opportunities for Ygl solar segment as the electricity generated in Malaysia is merely 2% by RE sources including solar power. With tax incentives and Net Energy Metering Programme offered by Malaysian Investment Development Authority (MIDA) and Sustainable Energy Development Authority Malaysia (SEDA) 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

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense				
Malaysian income tax	5,196	30,212	5,196	30,212
Foreign tax	-	-	-	-
	<u>5,196</u>	<u>30,212</u>	<u>5,196</u>	<u>30,212</u>
Deferred tax expense	-	-	-	-
Total income tax expense	<u>5,196</u>	<u>30,212</u>	<u>5,196</u>	<u>30,212</u>

There was a tax expense despite the net loss position of the Group as certain companies within the Group are still subject to income tax.

19. Status on Utilisation of Proceeds

Private Placement

Pursuant to the private placement exercise undertaken by the Company on 3 March 2020, the Company had raised approximately RM3.182 million which is earmarked for business expansion, R&D expenses and working capital purposes. The proceeds from the private placement exercise have been fully utilised as at to date.

20. Cash and cash equivalents

	As at 30 June 2023 RM	As at 30 June 2022 RM
Cash and bank balances	4,015,732	4,097,487
Less: Overdraft	(1,077,546)	(689,306)
	2,938,186	3,408,181

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

21. Company Borrowings and Debt Securities

The Group’s borrowings are as follows:

	As at 30 June 2023 RM	As at 30 June 2022 RM
<u>Payable within 12 months</u>		
Secured – Trade Facilities	-	1,013,859
<u>Payable after 12 months</u>		
Secured – Trade Facilities	-	-
Total	-	1,013,859

The Group does not have any foreign currency borrowings.

22. Capital Commitment

The Group’s objectives when managing capital are to maintain a strong capital base and to safeguard the Group’s ability to continue as a going concern, so as to maintain shareholder, stakeholder and market confidence and to sustain future development of the business.

As at 28 August 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:

	As at 30 June 2023 RM	As at 30 June 2022 RM
Contract liabilities	1,428,156	1,331,791

24. Lease Liabilities

The Group does not have any lease liabilities.

	As at 30 June 2023 RM	As at 30 June 2022 RM
<u>Payable within 12 months</u> Unsecured	-	-
<u>Payable after 12 months</u> Unsecured	-	-
Total	-	-

25. Inventory

The Group' operation does not involve keeping of inventory except for a subsidiary company which keep certain quantity of inventory in hand to meet demand of its projects.

	As at 30 June 2023 RM	As at 30 June 2022 RM
Inventory	691,276	278,882

26. Financial Instruments

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

	As at 30 June 2023 RM	As at 30 June 2022 RM
<u>Financial assets</u>		
Account receivables	2,103,832	3,174,875
Other receivables, prepayments and deposits paid	375,936	437,554
Cash and cash equivalents	4,015,732	4,097,487
	6,495,500	7,709,916

Financial Instruments (continued)

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

	As at 30 June 2023 RM	As at 30 June 2022 RM
<u>Financial liabilities at amortised cost</u>		
Account payables	316,236	646,630
Other payables, accruals and deposits received	606,229	1,294,124
Bank overdraft	1,077,546	689,306
Trade Facilities	-	1,013,859
Amount owing to directors	692,096	592,096
	2,692,107	4,236,015

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

Financial Instruments (continued)

Trade Receivables

Aging analysis of financial assets:

	As at 30 June 2023 RM	As at 30 June 2022 RM
Up to 90 days	1,450,290	1,336,698
>90 to 180 days	438,962	947,792
>180 to 360 days	109,009	890,385
>360 days	105,571	-
Total amount	2,103,832	3,174,875

Under the “expected credit loss model” of MFRS 9, impairment allowance for financial assets will be recognised at an amount equal to the 12-month expected credit losses which are weighted by the probability that a loss will occur in the next 12 months. Adequate impairment losses have been allowed for these financial assets.

27. Significant Related Party Transactions

For the first quarter ended 30 June 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 30 June		Cumulative 3 months ended 30 June	
	2023	2022	2023	2022
Profits/(Loss) for the period attributable to Owners of the Company (RM)	(2,337)	(980,899)	(2,337)	(980,899)
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)	0.00	(0.38)	0.00	(0.38)