

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE FIRST QUARTER ENDED 30 JUNE 2024**

	Note	Individual Quarter 3 months ended 30 June		Cumulative Quarter 3 months ended 30 June	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Continuing Operations</b>					
Revenue	14	3,039,507	2,117,146	3,039,507	2,117,146
Cost of Sales		(2,194,499)	(1,366,813)	(2,194,499)	(1,366,813)
Gross Profit / (Loss)		845,008	750,333	845,008	750,333
Other Operating Income		50,185	53,990	50,185	53,990
Selling and Distribution Costs		(50,917)	(62,620)	(50,917)	(62,620)
Administrative Expenses		(353,718)	(320,591)	(353,718)	(320,591)
Other Operating Expenses		(421,696)	(345,142)	(421,696)	(345,142)
<b>(Loss) / Profit for the period from continuing operations</b>		<b>68,862</b>	<b>75,970</b>	<b>68,862</b>	<b>75,970</b>
Finance Costs		(7,150)	(14,678)	(7,150)	(14,678)
Share of Results of Associate Company		249,307	(61,410)	249,307	(61,410)
<b>(Loss) / Profit Before Tax</b>	15	<b>311,019</b>	<b>(118)</b>	<b>311,019</b>	<b>(118)</b>
Income Tax Expense	18	(2,878)	(5,196)	(2,878)	(5,196)
<b>(Loss) / Profit for the period</b>		<b>308,141</b>	<b>(5,314)</b>	<b>308,141</b>	<b>(5,314)</b>
<b>Profit attributable to :</b>					
Owners of the Company		354,429	(2,337)	354,429	(2,337)
Non-controlling interests		(46,288)	(2,977)	(46,288)	(2,977)
<b>(Loss) / Profit for the period</b>		<b>308,141</b>	<b>(5,314)</b>	<b>308,141</b>	<b>(5,314)</b>
<b>Other comprehensive income</b>					
Item that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operation		814	-	814	-
<b>Total Comprehensive (Loss) / Income for the period</b>		<b>308,955</b>	<b>(5,314)</b>	<b>308,955</b>	<b>(5,314)</b>
Total comprehensive (loss) / income attributable to:					
Owners of the Company		355,243	(2,337)	355,243	(2,337)
Non-controlling interests		(46,288)	(2,977)	(46,288)	(2,977)
		<b>308,955</b>	<b>(5,314)</b>	<b>308,955</b>	<b>(5,314)</b>
Earnings per share attributable to owners of the Company (in sen)					
Basic EPS <sup>(ii)</sup>	31	0.13	(0.00)	0.13	(0.00)

## 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 2024 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 2024**

	Individual Quarter 3 months ended 30 June 2024 <u>RM</u>	Cumulative 3 months ended 30 June 2024 <u>RM</u>
(a) Interest income	8,499	8,499
(b) Other income including investment income	41,686	41,686
(c) Gain / (Loss) on disposal of quoted / unquoted investment or properties	n/a	n/a
(d) Gain / (Loss) on foreign exchange	(32,240)	(32,240)
(e) Gain / (Loss) on derivatives	n/a	n/a
(f) Interest expense	7,150	7,150
(g) Depreciation	60,617	60,617
(h) Amortization	217,428	217,428
(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 2024**

	Note	30 June 2024 (Unaudited) RM	30 March 2024 (Audited) RM
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment		4,147,191	4,186,341
Investment Property		750,000	750,000
Goodwill and Other Intangible Assets		2,066,990	2,127,659
Investment in Associate Company		2,270,215	2,020,908
		<u>9,234,396</u>	<u>9,084,908</u>
<b>Current Assets</b>			
Trade and Other Receivables	26	3,097,930	2,656,396
Inventory	25	521,427	992,939
Current Tax Assets		237,958	237,365
Cash and Cash Equivalents	20	7,393,656	8,658,633
		<u>11,250,971</u>	<u>12,545,333</u>
<b>TOTAL ASSETS</b>		<u>20,485,367</u>	<u>21,630,241</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital		11,617,771	11,475,588
ESOS Reserve		229,066	231,093
Revaluation Reserve		960,988	960,988
Exchange Translation, non-distributable (Accumulated Losses) / Retained Profits		894,194	893,380
		<u>2,458,324</u>	<u>2,103,895</u>
<b>Equity attributable to owners of the Company</b>		<u>16,160,343</u>	<u>15,664,944</u>
Non-controlling Interests		(287,390)	(241,102)
<b>TOTAL EQUITY</b>		<u>15,872,953</u>	<u>15,423,842</u>
<b>Non-Current Liabilities</b>			
Lease Liabilities	24	-	-
Deferred Tax Liabilities		106,776	106,776
		<u>106,776</u>	<u>106,776</u>
<b>Current Liabilities</b>			
Trade and Other Payables	26	1,885,620	3,043,551
Other Liabilities		228,049	248,995
Contract Liabilities	23	1,766,424	1,080,505
Amount due to Director		427,096	492,096
Lease Liabilities	24	-	-
Bank Overdraft	20	-	1,036,620
Trade Facilities	21	-	-
Current Tax Liabilities		198,449	197,856
		<u>4,505,638</u>	<u>6,099,623</u>
<b>TOTAL LIABILITIES</b>		<u>4,612,414</u>	<u>6,206,399</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>20,485,367</u>	<u>21,630,241</u>
Net assets per share attributable to owners of the Company (sen) <sup>(ii)</sup>		5.95	5.77

## 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 2024 and the accompanying explanatory notes attached to the interim financial statements.

**YGL CONVERGENCE BERHAD (200401010510 / 649013-W)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2024**

	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 2023		30,400,368	123,345	280,043	-	(19,161,615)	11,642,141	(430,132)	11,212,009
Foreign currency translation differences for foreign operations		-	770,035	-	-	-	770,035	-	770,035
Gain on revaluation of property, plant and equipment		-	-	-	960,988	-	960,988	-	960,988
Total other comprehensive income		-	770,035	-	960,988	-	1,731,023	-	1,731,023
Net profit for the financial year		-	-	-	-	251,324	251,324	189,030	440,354
Total comprehensive loss		-	770,035	-	960,988	251,324	1,982,347	189,030	2,171,377
Allotment of shares		2,075,220	-	-	-	-	2,075,220	-	2,075,220
Reduction of share capital		(21,000,000)	-	-	-	21,000,000	-	-	-
Share-based payment transaction Granted		-	-	-	-	-	-	-	-
Lapsed due to resignation		-	-	(48,950)	-	14,186	(34,764)	-	(34,764)
At 31 March 2024		11,475,588	893,380	231,093	960,988	2,103,895	15,664,944	(241,102)	15,423,842
<i>Audited</i>									
At 1 April 2024		11,475,588	893,380	231,093	960,988	2,103,895	15,664,944	(241,102)	15,423,842
Net profit/(loss) for the year		-	-	-	-	354,429	354,429	(46,288)	308,141
Other comprehensive loss									
Exchange translation differences		-	814	-	-	-	814	-	814
Allotment of shares		142,183	-	-	-	-	142,183	-	142,183
Share-based payment transaction		-	-	(2,027)	-	-	(2,027)	-	(2,027)
At 31 June 2024		11,617,771	894,194	229,066	960,988	2,458,324	16,160,343	(287,390)	15,872,953

*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 2024 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2024

Note	3 MONTHS	YEAR ENDED
	ENDED 30 JUNE (UNAUDITED)	31 MARCH (AUDITED)
	2024	2024
	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	311,019	661,710
Adjustments for:-		
Depreciation of property, plant and equipment	60,617	266,252
Depreciation of investment property	-	-
Depreciation of right-of-use asset	-	-
Amortisation of software development costs	217,428	1,183,111
Amortisation of membership	404	1,616
Share of result of associates	(249,307)	47,458
(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	-	(15,611)
Bad debts written off	-	-
Share-based payment transactions	(2,027)	-
Renovation cost written off	-	156,815
Property, plant and equipment written off	-	2,302
Inventory written off	-	21,782
Realised (gain) / loss on foreign exchange	32,072	-
Unrealised (gain) / loss on foreign exchange	307	(304)
Gain on acquisition of subsidiary	-	-
Gain on disposal of subsidiary	-	-
Gain on deconsolidation of subsidiary	-	-
Dividend income	(23,686)	(44,389)
Interest income	(8,499)	(31,020)
Interest expense	7,150	65,545
Lease liabilities interest	-	-
Operating (loss) / profit before working capital changes	345,478	2,315,267
Receipts from customers	3,669,227	13,586,539
Changes in receivables	(3,585,670)	(13,629,238)
Payments to suppliers, contractors and employees	(3,702,291)	(11,607,264)
Changes in payables	2,202,544	14,048,308
Changes in contract liabilities	685,919	(449,779)
Changes in inventories	169,849	(200,753)
Cash used in operations	(214,944)	4,063,080
Dividend received	23,686	44,389
Interest received	8,499	31,020
Interest paid	(7,150)	(65,545)
Tax (paid) / refund	(2,878)	(657)
Net cash used in operating activities	(192,787)	4,072,287
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(21,468)	(27,078)
Changes in software development costs	(157,162)	(830,076)
Net cash outflow from disposal of subsidiary	-	-
Proceeds from disposal of shares in subsidiary	-	-
Proceeds from other investment	-	-
Net cash used in investing activities	(178,630)	(857,154)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividened paid to non-controlling interest	-	-
Proceeds from share issue	142,183	2,180,220
Deconsolidation of subsidiary	-	-
Proceeds from share issue in subsidiary	-	-
Proceeds from/(payment for) trade facility	-	(500,789)
Payment of lease liabilities	-	-
Lease liabilities interest	-	-
Net cash (used in) / from financing activities	142,183	1,679,431
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(229,234)	4,894,564
<b>EFFECT OF CHANGES IN EXCHANGE RATES</b>	877	36,588
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	7,622,013	2,690,861
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	7,393,656	7,622,013
Represented by:		
<b>CASH AND BANK BALANCES</b>	7,393,656	8,658,633
<b>BANK OVERDRAFT</b>	-	(1,036,620)
	7,393,656	7,622,013

## 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 2024 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 2024 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 2024.

### **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 2024 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 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
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 2025

Amendments to MFRS 121	Lack of Exchangeability
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#### Standards effective for financial periods beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments
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#### Standards effective for financial periods beginning on or after 1 January 2027

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures

**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 financial 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	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Segment Revenue</u>				
Revenue from operations:				
Software	1,629,049	1,650,513	1,629,049	1,650,513
Solar	1,410,458	466,633	1,410,458	466,633
Total revenue	<u>3,039,507</u>	<u>2,117,146</u>	<u>3,039,507</u>	<u>2,117,146</u>
Elimination of inter-segment sales	-	-	-	-
External sales	<u>3,039,507</u>	<u>2,117,146</u>	<u>3,039,507</u>	<u>2,117,146</u>
Interest revenue	<u>8,499</u>	<u>7,171</u>	<u>8,499</u>	<u>7,171</u>

**Ygl Convergence Berhad (200401010510 / 649013-W) (“Ygl” or “Group”)  
Quarterly report for the first quarter ended 30 June 2024**

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Segment Results</u>				
Results from operations:				
Software	275,571	165,091	275,571	165,091
Solar	(206,709)	(89,121)	(206,709)	(89,121)
	68,862	75,970	68,862	75,970
Finance cost	(7,150)	(14,678)	(7,150)	(14,678)
Share of associate’s profit	249,307	(61,410)	249,307	(61,410)
Tax expense	(2,878)	(5,196)	(2,878)	(5,196)
Non-controlling interests	46,288	2,977	46,288	2,977
Total results	354,429	(2,337)	354,429	(2,337)

**10. Valuations of Property, Plant & Equipment**

The valuation of property, plant and equipment has been brought forward without amendment from the financial statements for the financial year ended 31 March 2024.

**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 current financial quarter under review.

**13. Changes in Contingent Liabilities**

There is no contingent liability as at 29 August 2024 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**14. Review of Performance**

Current Quarter - Group

For the quarter under review, Ygl Group recorded a revenue of RM3,039,507 which was an increase of 43.6% as compared to a revenue of RM2,117,146 recorded in the preceding year corresponding quarter ended 30 June 2023. There was gross profit of RM845,008 for the quarter under review as compared to gross profit of RM750,333 for the preceding year corresponding quarter ended 30 June 2023. This was mainly due to higher revenue recorded during the quarter under review.



Current Quarter – Group (continued)

There was net profit from operations of RM68,862 for the quarter under review as compared to net profit of RM75,970 recorded in the preceding year corresponding quarter ended 30 June 2023. This was mainly due to foreign exchange losses incurred for purchase of solar panels during the quarter under review.

Software Segment

For the quarter under review, the software segment recorded a revenue of RM1,629,049 which was a decrease of 1.3% as compared to a revenue of RM1,650,513 recorded in the preceding year corresponding quarter ended 30 June 2023. Net profit from operations for the quarter under review was RM275,571 as compared to net profit from operations of RM165,091 for the preceding year corresponding quarter ended 30 June 2023. This was mainly due to improvement in project margin during the quarter under review.

Solar Segment

For the quarter under review, the solar segment recorded a revenue of RM1,410,458 which was an increase of 202.3% as compared to a revenue of RM466,633 recorded in the preceding year corresponding quarter ended 30 June 2023.

Net loss from operations for the quarter under review was RM206,709 as compared to net loss from operations of RM89,121 recorded for the preceding year corresponding quarter ended 30 June 2023. This was mainly due to foreign exchange losses incurred for purchase of solar panels during the quarter under review.

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

There was net profit before tax of RM311,019 for the quarter under review as compared to a net profit before tax of RM647,199 recorded in the preceding fourth quarter ended 31 March 2024. This was mainly due to lower revenue of RM2,813,249 recorded during the quarter under review as compared to revenue of RM5,219,868 recorded in the preceding fourth quarter ended 31 March 2024.

The software segment recorded revenue of RM1,629,049 and net profit of RM275,571 during the quarter under review as compared to the preceding fourth quarter ended 31 March 2024 which recorded revenue of RM1,265,853 and net loss of RM174,548. This was mainly due to higher revenue recorded during the quarter under review.

The solar segment recorded revenue of RM1,410,458 and net loss of RM206,709 during the quarter under review as compared to the preceding fourth quarter ended 31 March 2024 which recorded revenue of RM3,954,015 and net profit of RM940,894. This was mainly due to lower revenue recorded during the current quarter under review.

**16. Corporate Proposals**

There are no other corporate proposals announced but not completed as at the date of announcement as at 29 August 2024 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

**17. Prospects for 2024/2025**

Software segment

The second half of 2024 will maintain demand for ERP solutions, with e-Invoicing adopted by our tax authority which necessitates taxpayers to put in place additional checks and ensure consistency throughout the sales and purchasing cycles such that they comply with the e-Invoicing mandates. This will push digitalisation of businesses in line with the initiatives of the government.

In the short term, software market will remain soft amid a global tightening of monetary policy. Software demand is expected to grow gradually as digitalisation of business and manufacturing processes are crucial in the long term to reduce dependency on labour and improve efficiency. Automation, artificial intelligence (“AI”), machine learning (“ML”) will become the mainstay of technology and Ygl offers its proprietary products including its cloud-based offerings such as smart warehouse, smart manufacturing and core ERP systems with AI, Industry 4.0 and robotics functions to businesses especially manufacturers and large distributors. The government has provided various incentives and grants to local businesses in supporting their adoption and upgrading of ERP solutions.

Solar segment

The shift towards sustainability across the world for cleaner and renewable energy sources is expected to further Malaysians’ interest in installing solar systems. With ESG reporting for carbon emission becoming mandatory in the near future, renewable energy like solar will play an important role for many businesses in Malaysia to achieve their ESG goals. The Malaysian Investment Development Authority (MIDA) and Sustainable Energy Development Authority Malaysia (SEDA) have offered a series of initiatives such as tax incentives, Feed-in Tariff (FiT), Net Metering (NEM) Scheme to increase solar panel installation in Malaysia in line with the revised National Renewable Energy Policy to achieve 70% renewable energy capacity mix by 2050.

Ygl foresees opportunities for its solar segment to increase its market share in Malaysia.

**18. Taxation**

	3 months ended 30 June		Cumulative 3 months ended 30 June	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax expense				
Malaysian income tax	2,878	5,196	2,878	5,196
Foreign tax	-	-	-	-
	<hr/> 2,878	<hr/> 5,196	<hr/> 2,878	<hr/> 5,196
Deferred tax expense	-	-	-	-
Total income tax expense	<hr/> 2,878	<hr/> 5,196	<hr/> 2,878	<hr/> 5,196

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 17 November 2023, the Company had raised approximately RM2.075 million which is earmarked for software development, marketing expenses and working capital purposes. As at to date, status of utilisation of the proceeds are as follows:

<b>Details</b>	<b>Actual Utilisation RM'000</b>	<b>Expected Utilisation RM'000</b>
1) Listing and placement expenses	200	200
2) Software development	636	1,000
3) Marketing expenses	-	500
4) Working capital	130	375
5) Balance of proceed not yet utilised	1,109	-
	<u>2,075</u>	<u>2,075</u>

**20. Cash and cash equivalents**

	<b>As at 30 June 2024 RM</b>	<b>As at 30 June 2023 RM</b>
Cash and bank balances	7,393,656	4,015,732
Less: Overdraft	-	(1,077,546)
	<u>7,393,656</u>	<u>2,938,186</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:

	<b>As at 30 June 2024 RM</b>	<b>As at 30 June 2023 RM</b>
<u>Payable within 12 months</u>		
Secured – Trade Facilities	-	-
<u>Payable after 12 months</u>		
Secured – Trade Facilities	-	-
Total	<u>-</u>	<u>-</u>

The Group does not have any foreign currency borrowings.

**22. Capital Commitment**

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

As at 29 August 2024 (the latest practicable date not earlier than 7 days from the date of issue of this financial result), the Group has no material capital commitment in respect of property, plant and equipment.

**23. Contract Liabilities**

Contract liabilities comprising technical support income received in advance from customers are as follows:

	<b>As at 30 June 2024 RM</b>	<b>As at 30 June 2023 RM</b>
Contract liabilities	1,766,424	1,428,156

**24. Lease Liabilities**

The Group does not have any lease liabilities.

	<b>As at 30 June 2024 RM</b>	<b>As at 30 June 2023 RM</b>
<u>Payable within 12 months</u>		
Unsecured	-	-
<u>Payable after 12 months</u>		
Unsecured	-	-
Total	-	-

**25. Inventory**

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

	<b>As at 30 June 2024 RM</b>	<b>As at 30 June 2023 RM</b>
Inventory	521,427	691,276

## 26. Financial Instruments

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

	<b>As at 30 June 2024 RM</b>	<b>As at 30 June 2023 RM</b>
<u>Financial assets</u>		
Account receivables	1,966,853	2,103,832
Other receivables, prepayments and deposits paid	1,131,077	375,936
Cash and cash equivalents	7,393,656	4,015,732
	10,491,586	6,495,500

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

	<b>As at 30 June 2024 RM</b>	<b>As at 30 June 2023 RM</b>
<u>Financial liabilities at amortised cost</u>		
Account payables	1,305,329	316,236
Other payables, accruals and deposits received	808,340	606,229
Bank overdraft	-	1,077,546
Trade Facilities	-	-
Amount owing to directors	427,096	692,096
	2,540,765	2,692,107

All other financial instruments are carried at amounts not materially different from their fair values as at 30 June 2024.

### 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 30 June 2024 RM</b>	<b>As at 30 June 2023 RM</b>
Up to 90 days	1,236,574	1,450,290
>90 to 180 days	420,365	438,962
>180 to 360 days	191,867	109,009
>360 days	118,047	105,571
Total amount	1,966,853	2,103,832

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 2024, there was no significant related party transaction entered by the Group.

### **28. Material Litigation**

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

### **29. Profit Estimate/Forecast**

Not applicable.

### **30. Dividend**

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

**31. Earnings Per Share**

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

	<b>3 months ended 30 June</b>		<b>Cumulative 3 months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Profits/(Loss) for the period attributable to Owners of the Company (RM)	354,429	(2,337)	354,429	(2,337)
Weighted average number of ordinary shares in issue	271,714,540	255,514,540	271,714,540	255,514,540
Basic earnings/(loss) per share (sen)	0.13	0.00	0.13	0.00