

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

| | Note | Individual Quarter 3 months ended 30 September | | Cumulative Quarter 6 months ended 30 September | |
|--|------|--|--------------------|--|--------------------|
| | | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Continuing Operations | | | | | |
| Revenue | 14 | 3,768,991 | 1,890,193 | 6,808,498 | 4,007,339 |
| Cost of Sales | | <u>(1,680,973)</u> | <u>(1,083,553)</u> | <u>(3,875,472)</u> | <u>(2,450,366)</u> |
| Gross Profit / (Loss) | | 2,088,018 | 806,640 | 2,933,026 | 1,556,973 |
| Other Operating Income | | 57,256 | 30,768 | 107,441 | 84,758 |
| Selling and Distribution Costs | | (36,389) | (49,612) | (87,306) | (112,232) |
| Administrative Expenses | | (468,873) | (469,492) | (822,591) | (790,083) |
| Other Operating Expenses | | (658,591) | (485,374) | (1,080,287) | (830,516) |
| (Loss) / Profit for the period from continuing operations | | <u>981,421</u> | <u>(167,070)</u> | <u>1,050,283</u> | <u>(91,100)</u> |
| Finance Costs | | - | (17,674) | (7,150) | (32,352) |
| Share of Results of Associate Company | | 260,593 | (1,363) | 509,900 | (62,773) |
| (Loss) / Profit Before Tax | 15 | <u>1,242,014</u> | <u>(186,107)</u> | <u>1,553,033</u> | <u>(186,225)</u> |
| Income Tax Expense | 18 | (66,141) | (10,084) | (69,019) | (15,280) |
| (Loss) / Profit for the period | | <u>1,175,873</u> | <u>(196,191)</u> | <u>1,484,014</u> | <u>(201,505)</u> |
| Profit attributable to : | | | | | |
| Owners of the Company | | 1,066,224 | (208,460) | 1,420,653 | (210,797) |
| Non-controlling interests | | 109,649 | 12,269 | 63,361 | 9,292 |
| (Loss) / Profit for the period | | <u>1,175,873</u> | <u>(196,191)</u> | <u>1,484,014</u> | <u>(201,505)</u> |
| Other comprehensive income | | | | | |
| Item that may be reclassified subsequently to profit or loss | | | | | |
| Exchange differences on translation of foreign operation | | (120,695) | 27,849 | (119,881) | 248,037 |
| Total Comprehensive (Loss) / Income for the period | | <u>1,055,178</u> | <u>(168,342)</u> | <u>1,364,133</u> | <u>46,532</u> |
| Total comprehensive (loss) / income attributable to: | | | | | |
| Owners of the Company | | 945,529 | (180,611) | 1,300,772 | 37,240 |
| Non-controlling interests | | 109,649 | 12,269 | 63,361 | 9,292 |
| | | <u>1,055,178</u> | <u>(168,342)</u> | <u>1,364,133</u> | <u>46,532</u> |
| Earnings per share attributable to owners of the Company (in sen) | | | | | |
| Basic EPS ⁽ⁱⁱ⁾ | 31 | 0.39 | (0.08) | 0.52 | (0.08) |

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 SECOND QUARTER ENDED 30 SEPTEMBER 2024**

| | Individual Quarter 3 months ended 30 September 2024 RM | Cumulative 6 months ended 30 September 2024 RM |
|---|--|--|
| (a) Interest income | 8,236 | 16,735 |
| (b) Other income including investment income | 42,140 | 83,826 |
| (c) Gain / (Loss) on disposal of quoted / unquoted investment or properties | n/a | n/a |
| (d) Gain / (Loss) on foreign exchange | 2,120 | (30,120) |
| (e) Gain / (Loss) on derivatives | n/a | n/a |
| (f) Interest expense | - | 7,150 |
| (g) Depreciation | 134,416 | 195,033 |
| (h) Amortization | 236,860 | 454,288 |
| (i) Provision for and write-off of receivables | - | - |
| (j) Provision for and write-off of inventories | - | - |
| (k) Exceptional item | - | - |

n/a denotes not applicable

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024**

| | Note | 30 September 2024 (Unaudited) RM | 30 March 2024 (Audited) RM |
|---|------|--|----------------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | | 4,309,642 | 4,186,341 |
| Investment Property | | 750,000 | 750,000 |
| Goodwill and Other Intangible Assets | | 2,024,045 | 2,127,659 |
| Investment in Associate Company | | 2,530,808 | 2,020,908 |
| | | <u>9,614,495</u> | <u>9,084,908</u> |
| Current Assets | | | |
| Trade and Other Receivables | 26 | 3,089,745 | 2,656,396 |
| Inventory | 25 | 971,439 | 992,939 |
| Current Tax Assets | | 224,630 | 237,365 |
| Cash and Cash Equivalents | 20 | 7,014,772 | 8,658,633 |
| | | <u>11,300,586</u> | <u>12,545,333</u> |
| TOTAL ASSETS | | <u>20,915,081</u> | <u>21,630,241</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share Capital | | 11,811,101 | 11,475,588 |
| ESOS Reserve | | 193,300 | 231,093 |
| Revaluation Reserve | | 960,988 | 960,988 |
| Exchange Translation, non-distributable (Accumulated Losses) / Retained Profits | | 773,499 | 893,380 |
| | | 3,524,548 | 2,103,895 |
| Equity attributable to owners of the Company | | <u>17,263,436</u> | <u>15,664,944</u> |
| Non-controlling Interests | | (177,741) | (241,102) |
| TOTAL EQUITY | | <u>17,085,695</u> | <u>15,423,842</u> |
| Non-Current Liabilities | | | |
| Lease Liabilities | 24 | - | - |
| Deferred Tax Liabilities | | 106,776 | 106,776 |
| | | <u>106,776</u> | <u>106,776</u> |
| Current Liabilities | | | |
| Trade and Other Payables | 26 | 1,482,933 | 3,043,551 |
| Other Liabilities | | 215,843 | 248,995 |
| Contract Liabilities | 23 | 1,438,289 | 1,080,505 |
| Amount due to Director | | 327,096 | 492,096 |
| Lease Liabilities | 24 | - | - |
| Bank Overdraft | 20 | - | 1,036,620 |
| Trade Facilities | 21 | - | - |
| Current Tax Liabilities | | 258,449 | 197,856 |
| | | <u>3,722,610</u> | <u>6,099,623</u> |
| TOTAL LIABILITIES | | <u>3,829,386</u> | <u>6,206,399</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>20,915,081</u> | <u>21,630,241</u> |
| Net assets per share attributable to owners of the Company (sen) ⁽ⁱⁱ⁾ | | 6.31 | 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 SECOND QUARTER ENDED 30 SEPTEMBER 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 | - | - | - | - | 1,420,653 | 1,420,653 | 63,361 | 1,484,014 |
| Other comprehensive loss | | | | | | | | |
| Exchange translation differences | - | (119,881) | - | - | - | (119,881) | - | (119,881) |
| Allotment of shares | 335,513 | - | - | - | - | 335,513 | - | 335,513 |
| Share-based payment transaction | - | - | (37,793) | - | - | (37,793) | - | (37,793) |
| At 30 September 2024 | 11,811,101 | 773,499 | 193,300 | 960,988 | 3,524,548 | 17,263,436 | (177,741) | 17,085,695 |

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 SECOND QUARTER ENDED 30 SEPTEMBER 2024

| Note | 6 MONTHS ENDED 30 SEPTEMBER (UNAUDITED) | YEAR ENDED 31 MARCH (AUDITED) |
|---|---|-------------------------------------|
| | 2024 RM | 2024 RM |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Loss) / Profit before taxation | 1,553,033 | 661,710 |
| Adjustments for:- | | |
| Depreciation of property, plant and equipment | 195,033 | 266,252 |
| Depreciation of investment property | - | - |
| Depreciation of right-of-use asset | - | - |
| Amortisation of software development costs | 454,288 | 1,183,111 |
| Amortisation of membership | 808 | 1,616 |
| Share of result of associates | (509,900) | 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 | (37,793) | - |
| Renovation cost written off | - | 156,815 |
| Property, plant and equipment written off | 4 | 2,302 |
| Inventory written off | - | 21,782 |
| Realised (gain) / loss on foreign exchange | 30,120 | - |
| Unrealised (gain) / loss on foreign exchange | 9,898 | (304) |
| Gain on acquisition of subsidiary | - | - |
| Gain on disposal of subsidiary | - | - |
| Gain on deconsolidation of subsidiary | - | - |
| Dividend income | (47,826) | (44,389) |
| Interest income | (16,735) | (31,020) |
| Interest expense | 7,150 | 65,545 |
| Lease liabilities interest | - | - |
| Operating (loss) / profit before working capital changes | 1,638,080 | 2,315,267 |
| Receipts from customers | 6,973,837 | 13,586,539 |
| Changes in receivables | (7,173,984) | (13,629,238) |
| Payments to suppliers, contractors and employees | (6,814,007) | (11,607,264) |
| Changes in payables | 4,907,182 | 14,048,308 |
| Changes in contract liabilities | 357,784 | (449,779) |
| Changes in inventories | 21,500 | (200,753) |
| Cash used in operations | (89,608) | 4,063,080 |
| Dividend received | 47,826 | 44,389 |
| Interest received | 16,735 | 31,020 |
| Interest paid | (7,150) | (65,545) |
| Tax (paid) / refund | (69,019) | (657) |
| Net cash used in operating activities | (101,216) | 4,072,287 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (318,338) | (27,078) |
| Changes in software development costs | (351,482) | (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 | (669,820) | (857,154) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividened paid to non-controlling interest | - | - |
| Proceeds from share issue | 335,513 | 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 | 335,513 | 1,679,431 |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | (435,523) | 4,894,564 |
| EFFECT OF CHANGES IN EXCHANGE RATES | (171,718) | 36,588 |
| CASH AND CASH EQUIVALENTS BROUGHT FORWARD | 7,622,013 | 2,690,861 |
| CASH AND CASH EQUIVALENTS CARRIED FORWARD | <u>7,014,772</u> | <u>7,622,013</u> |
| Represented by: | | |
| CASH AND BANK BALANCES | 7,014,772 | 8,658,633 |
| BANK OVERDRAFT | - | (1,036,620) |
| | <u>7,014,772</u> | <u>7,622,013</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 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 |
|------------------------|-------------------------|

Standards effective for financial periods beginning on or after 1 January 2026

| | |
|------------------------|--|
| Amendments to MFRS 1 | First-time Adoption of Malaysian Financial Reporting Standards |
| Amendments to MFRS 7 | Financial Instruments: Disclosures |
| Amendments to MFRS 9 | Financial Instruments |
| Amendments to MFRS 10 | Consolidated Financial Statements |
| Amendments to MFRS 107 | Statement of Cash Flows |

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 other than set out below:

Private placement

On 20 June 2024 and 1 July 2024, the Company announced the completion of the second and final tranches of the private placement with the listing of and quotation for 932,349 new ordinary shares and 800,000 new ordinary shares in Ygl respectively on the ACE Market representing about 2.32% of the issued and paid-up share capital of Ygl.

ESOS

On 18 July 2024, the Company announced the completion of the exercise of ESOS with the listing of and quotation for 270,000 new ordinary shares in Ygl on the ACE Market representing about 0.10% of the issued and paid-up share capital of Ygl.

| | Number of shares | Share capital RM |
|-------------------------|-------------------------|-----------------------------|
| Ordinary shares | | |
| As at 1 April 2024 | 271,714,540 | 11,475,588 |
| Private placement | 1,732,349 | 266,663 |
| Exercise of ESOS | 270,000 | 68,850 |
| As at 30 September 2024 | <u>273,716,889</u> | <u>11,811,101</u> |

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

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 September | | Cumulative 6 months ended 30 September | |
|------------------------------------|--------------------------------|------------|---|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| <u>Segment Revenue</u> | | | | |
| Revenue from operations: | | | | |
| Software | 2,227,771 | 1,200,790 | 3,856,820 | 2,851,303 |
| Solar | 1,541,220 | 689,403 | 2,951,678 | 1,156,036 |
| Total revenue | 3,768,991 | 1,890,193 | 6,808,498 | 4,007,339 |
| Elimination of inter-segment sales | - | - | - | - |
| External sales | 3,768,991 | 1,890,193 | 6,808,498 | 4,007,339 |
| Interest revenue | 8,236 | 7,347 | 16,735 | 14,518 |

| | 3 months ended 30 September | | Cumulative 6 months ended 30 September | |
|-----------------------------|--------------------------------|------------|---|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| <u>Segment Results</u> | | | | |
| Results from operations: | | | | |
| Software | 485,041 | (412,130) | 760,612 | (247,039) |
| Solar | 496,380 | 245,060 | 289,671 | 155,939 |
| | 981,421 | (167,070) | 1,050,283 | (91,100) |
| Finance cost | - | (17,674) | (7,150) | (32,352) |
| Share of associate's profit | 260,593 | (1,363) | 509,900 | (62,773) |
| Tax expense | (66,141) | (10,084) | (69,019) | (15,280) |
| Non-controlling interests | (109,649) | (12,269) | (63,361) | (9,292) |
| Total results | 1,066,224 | (208,460) | 1,420,653 | (210,797) |

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 28 November 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 RM3,768,991 which was an increase of 99.4% as compared to a revenue of RM1,890,193 recorded in the preceding year corresponding quarter ended 30 September 2023. There was gross profit of RM2,088,018 for the quarter under review as compared to gross profit of RM806,640 for the preceding year corresponding quarter ended 30 September 2023. This was mainly due to higher revenue recorded during the quarter under review.

There was net profit from operations of RM981,421 for the quarter under review as compared to net loss of RM167,070 recorded in the preceding year corresponding quarter ended 30 September 2023. This was mainly due to higher revenue recorded during the quarter under review.

Software Segment

For the quarter under review, the software segment recorded a revenue of RM2,227,771 which was an increase of 85.5% as compared to a revenue of RM1,200,790 recorded in the preceding year corresponding quarter ended 30 September 2023. Net profit from operations for the quarter under review was RM485,041 as compared to net loss from operations of RM412,130 for the preceding year corresponding quarter ended 30 September 2023. This was mainly due to higher revenue recorded during the quarter under review.

Solar Segment

For the quarter under review, the solar segment recorded a revenue of RM1,541,220 which was an increase of 123.6% as compared to a revenue of RM689,403 recorded in the preceding year corresponding quarter ended 30 September 2023.

Net profit from operations for the quarter under review was RM496,380 as compared to net profit from operations of RM245,060 recorded for the preceding year corresponding quarter ended 30 September 2023. This was mainly due to higher revenue recorded during the quarter under review.

Cumulative Quarters - Group

For the six months period ended 30 September 2024, Ygl Group recorded a revenue of RM6,808,498 which was an increase of 69.9% as compared to a revenue of RM4,007,339 achieved in the preceding year six months period ended 30 September 2023. There was a gross profit of RM2,933,026 for the six months period under review as compared to gross profit of RM1,556,973 recorded in the preceding year six months period ended 30 September 2023. This was mainly due to higher revenue recorded during the quarter under review.

Net profit from operations for the period under review was RM1,050,283 as compared to net loss of RM91,100 recorded in the preceding year corresponding period ended 30 September 2023. This was mainly due to higher revenue recorded during the quarter under review.

Software Segment

For the six months ended 30 September 2024, the software segment recorded a revenue of RM3,856,820 which was an increase of 35.3% as compared to a revenue of RM2,851,303 recorded in the preceding year six months period ended 30 September 2023. There was net profit from operations of RM760,612 as compared to net loss from operations of RM247,039 recorded in the preceding year six months period ended 30 September 2023. This was mainly due to higher revenue recorded during the quarter under review.

Solar Segment

For the six months ended 30 September 2024, the solar segment recorded a revenue of RM2,951,678 which was an increase of 155.3% as compared to a revenue of RM1,156,036 recorded in the preceding year six months period ended 30 September 2023. There was net profit from operations of RM289,671 as compared to net profit from operations of RM155,939 recorded in the preceding year six months period ended 30 September 2023. This was mainly due to higher revenue recorded during the quarter under review.

15. Material Changes in Profit Before Tax Against Preceding Quarter

There was net profit before tax of RM1,242,014 for the quarter under review as compared to a net profit before tax of RM311,019 recorded in the preceding first quarter ended 30 June 2024. This was mainly due to higher revenue of RM3,768,991 recorded during the quarter under review as compared to revenue of RM3,039,507 recorded in the preceding first quarter ended 30 June 2024.

The software segment recorded revenue of RM2,227,771 and net profit of RM485,041 during the quarter under review as compared to the preceding first quarter ended 30 June 2024 which recorded revenue of RM1,629,049 and net profit of RM275,571 respectively. This was mainly due to higher revenue recorded during the quarter under review.

The solar segment recorded revenue of RM1,541,220 and net profit of RM496,380 during the quarter under review as compared to the preceding first quarter ended 30 June 2024 which recorded revenue of RM1,410,458 and net loss of RM206,709 respectively. This was mainly due to higher revenue recorded and stages of completion of certain projects 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 28 November 2024 (the latest practicable date not earlier than 7 days from the date of issue of this financial result).

17. Prospects for 2025

Software segment

Look forward 2025, we see a slow but steady demand for enterprise software by Malaysian businesses. With the advent of minimal wage mandate, the cost effect may pour over in the market and there will be a growing drive to reduce reliance on labour and adopt more automation, artificial intelligence (“AI”), machine learning (“ML”) to improve on the efficiencies of the business processes.

Ygl’s proprietary solutions such as smart warehouse, smart manufacturing and core enterprise software are incorporated with AI, Industry 4.0 and robotics functions which offer greater flexibility and scalability for manufacturers and large distributors to compete and stay relevant at the back of increasingly competitive market and technological advances.

Solar segment

The focus on renewable energy towards sustainability goals will continue to take centre stage and for businesses and residences, solar energy remains a viable option to reduce their carbon footprints. Businesses are able to measure and monitor their energy consumption and savings with solar system to account for carbon emission under ESG reporting. There are a series of initiatives such as Feed-in Tariff (FiT), Net Energy Metering (NEM) Scheme offered by the Malaysian Investment Development Authority (MIDA) and Sustainable Energy Development Authority Malaysia (SEDA) as well as the “Solar for Rakyat Incentive Scheme” (SOLARIS) for residential customers offered by Tenaga Nasional Berhad (TNB) to increase 70% renewable energy capacity mix by the year 2050.

18. Taxation

| | 3 months ended 30 September | | Cumulative 6 months ended 30 September | |
|--------------------------|--------------------------------|---------------|---|---------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Current tax expense | | | | |
| Malaysian income tax | 66,141 | 10,084 | 69,019 | 15,280 |
| Foreign tax | - | - | - | - |
| | <u>66,141</u> | <u>10,084</u> | <u>69,019</u> | <u>15,280</u> |
| Deferred tax expense | - | - | - | - |
| Total income tax expense | <u>66,141</u> | <u>10,084</u> | <u>69,019</u> | <u>15,280</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 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:

| Details | Actual Utilisation RM'000 | Expected Utilisation RM'000 |
|--|--|--|
| 1) Listing and placement expenses | 200 | 200 |
| 2) Software development | 1,000 | 1,000 |
| 3) Marketing expenses | - | 500 |
| 4) Working capital | 375 | 375 |
| 5) Balance of proceed not yet utilised | 500 | - |
| | 2,075 | 2,075 |

20. Cash and cash equivalents

| | As at 30 September 2024 RM | As at 30 September 2023 RM |
|------------------------|---|---|
| Cash and bank balances | 7,014,772 | 3,949,577 |
| Less: Overdraft | - | (1,077,029) |
| | 7,014,772 | 2,872,548 |

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

21. Company Borrowings and Debt Securities

The Group’s borrowings are as follows:

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

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 November 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:

| | As at 30 September 2024 RM | As at 30 September 2023 RM |
|----------------------|---|---|
| Contract liabilities | 1,438,289 | 1,242,763 |

24. Lease Liabilities

The Group does not have any lease liabilities.

| | As at 30 September 2024 RM | As at 30 September 2023 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 September 2024 RM | As at 30 September 2023 RM |
|-----------|---|---|
| Inventory | 971,439 | 921,029 |

26. Financial Instruments

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

| | As at 30 September 2024 RM | As at 30 September 2023 RM |
|---|---|---|
| <u>Financial assets</u> | | |
| Account receivables | 2,033,756 | 1,815,072 |
| Other receivables, prepayments and deposits paid | 1,055,989 | 355,413 |
| Cash and cash equivalents | 7,014,772 | 3,949,577 |
| | 10,104,517 | 6,120,062 |

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

| | As at 30 September 2024 RM | As at 30 September 2023 RM |
|---|---|---|
| <u>Financial liabilities at amortised cost</u> | | |
| Account payables | 1,107,825 | 582,737 |
| Other payables, accruals and deposits received | 590,951 | 503,944 |
| Bank overdraft | - | 1,077,029 |
| Trade Facilities | - | - |
| Amount owing to directors | 327,096 | 592,096 |
| | 2,025,872 | 2,755,806 |

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

| | As at 30 September 2024 RM | As at 30 September 2023 RM |
|------------------|---|---|
| Up to 90 days | 1,206,055 | 1,288,026 |
| >90 to 180 days | 467,895 | 416,094 |
| >180 to 360 days | 286,089 | 86,937 |
| >360 days | 73,717 | 84,015 |
| Total amount | 2,033,756 | 1,815,072 |

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

27. Significant Related Party Transactions

For the second quarter ended 30 September 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.

| | 3 months ended 30 September | | Cumulative 6 months ended 30 September | |
|--|--|-------------|---|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| Profits/(Loss) for the period attributable to Owners of the Company (RM) | 1,066,224 | (208,460) | 1,420,653 | (210,797) |
| Weighted average number of ordinary shares in issue | 273,716,889 | 255,514,540 | 273,716,889 | 255,514,540 |
| Basic earnings/(loss) per share (sen) | 0.39 | 0.08 | 0.52 | 0.08 |