YglWORLD

Ygl Convergence Berhad
Registration No. 200401010510 (649013-W)
(Incorporated in Malaysia)

LEADING THE **DIGITAL AGE**

ANNUAL REPORT 2024

LEADING THE **DIGITAL AGE**

Continuing to align itself with 4.0 Industry, Ygl Convergence Berhad is set to evolve exponentially. As the industrial trailblazer, the Group will be navigating the major shift, both challenges and opportunities that arise with globalisation with optimistic foresight, and compelling sustainability plans that will propel the Group forward to entirely be in command of the revolution's impact on the industry. Coded with diversified capabilities and cutting-edge technology, the Group is determined to streamline toward the dynamic industrial future.

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twentieth (20th) Annual General Meeting of Ygl Convergence Berhad ("Ygl" or "the Company") will be held at **Nat King Cole, Level 9, Jazz Hotel Penang, No. 1, Jalan Seri Tanjung Pinang 1, 10470 Tanjung Tokong, Penang** on **Thursday, 29 August 2024, 10:30 a.m.** for the following purposes: -

AGENDA

As Ordinary Business: -

1.	To receive the Audited Financial Statements for the financial year ended 31 March 2024 together with the Reports of the Directors and Auditors thereon.	*(Please refer to Explanatory Note 1)*
2.	To re-elect the following Directors retiring under Clause 76(3) of the Constitution of the Company and being eligible, have offered themselves for re-election: -	
	(i) Madam Tan Hoay Leng	**Ordinary Resolution 1**
	(ii) Mr. Wong Khai Meng	**Ordinary Resolution 2**
3.	To approve the payment of Directors' fees of RM80,000.00 for the financial year ended 31 March 2024.	**Ordinary Resolution 3**
4.	To approve the payment of benefits (excluding Directors' fees) payable to the Directors up to an amount RM20,000.00 for the period commencing from 30 August 2024 until the next Annual General Meeting of the Company.	**Ordinary Resolution 4**
5.	To re-appoint Messrs. CHENGCO PLT as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 5**

As Special Business: -

To consider and, if thought fit, with or without any modification, to pass the following resolution which will be proposed as Ordinary Resolution:

6. **Ordinary Resolution: -**
Authority to issue and allot shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights — **Ordinary Resolution 6**

"**THAT** subject always to the Companies Act 2016 (the "Act"), the Company's Constitution, Bursa Malaysia Securities Berhad ("Bursa Securities") ACE Market Listing Requirements ("AMLR") and any relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued share of the Company for the time being;

THAT pursuant to Section 85 of the Act to be read together with Clause 12(3)(a) of the Constitution of the Company, that approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to this mandate.

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

6. **Ordinary Resolution: -**
Authority to issue and allot shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights (Cont'd) **Ordinary Resolution 6**

AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company or the expiration of the period within which the next AGM is required to be held, whichever is earlier, unless such authority is revoked or varied by resolution passed by the shareholders in a general meeting."

7. To transact any other business of which due notice shall have been given.

By Order of the Board,

YEOW SZE MIN (SSM PC No. 201908003120, MAICSA 7065735)
LOW SEOW WEI (SSM PC No. 202008000437, MAICSA 7053500)
Company Secretaries

Penang
Date: 31 July 2024

(A) Notes:

1. For the purpose of determining who shall be entitled to attend the 20th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at **22 August 2024**. Only a depositor whose name appears on this Record of Depositors shall be entitled to attend the 20th AGM or appoint a proxy to attend, speak and vote on his/her behalf.

2. A member entitled to attend and vote at the 20th AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.

3. A member of the Company who is entitled to attend and vote at the 20th AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 20th AGM.

4. Where a member of the Company is an authorised nominee, as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") it may appoint not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company.

5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

7. The instrument appointing a proxy must be deposited at the registered office of the Company at No. 35, Scotland Road, 10450 Penang, Malaysia, not less than forty-eight (48) hours before the time fixed for holding the 20th AGM or any adjournment at which the person named in the appointment proposes to vote or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

8. Pursuant to Rule 8.31A of the AMLR of Bursa Malaysia Securities Berhad ("Bursa Securities"), all resolutions set out in the Notice of 20th AGM will be put to vote by way of a poll.

(B) Explanatory Notes:

1. Item 1 of the Agenda: Audited Financial Statements for the financial year ended 31 March 2024

   The first agenda of this meeting is meant for discussion only, as Section 304(1) of the Act does not require a formal approval for the Audited Financial Statements from the shareholders. Therefore, this Agenda is not put forward to shareholders for voting.

2. Ordinary Resolutions 1 and 2: Re-election of Directors

   Clause 76(3) of the Company's Constitution states that one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election at each AGM. All Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election.

   Madam Tan Hoay Leng and Mr. Wong Khai Meng, who are due for retirement in accordance with Clause 76(3) of the Company's Constitution, have offered themselves for re-election at the 20th AGM.

   The profiles of the Directors who are standing for re-election are stated in the Company's Annual Report 2024.

   In determining the eligibility of the Directors to stand for re-election at the 20th AGM, the Nominating Committee ("NC") has considered the following: -

   (i) satisfactory performance and have met the criteria of Fit and Proper Policy of the Company in terms of character, experience, integrity, competence and time in discharging their duties and responsibilities;
   (ii) level of independence demonstrated by the independent director; and
   (iii) their ability to act in the best interest of the Company in decision-making.

   The Board endorsed the NC's recommendation for the retiring Directors pursuant to Clause 76(3) of the Constitution of the Company. All the retiring Directors have consented to their re-election and have abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant NC and Board meetings.

3. Ordinary Resolutions 3 and 4: Payment of Directors' fee and benefits made payable to the Directors

   Clause 93 of the Constitution of the Company provides that any fees and benefits payable to Directors shall be subject to annual shareholders' approval at a General Meeting. Pursuant thereto, shareholders' approval is sought for the payment of fees to Directors (Ordinary Resolution 3) and benefits payable to Directors (Ordinary Resolution 4).

   The proposed Directors' fees of RM80,000.00 to be paid to all Directors (except for the Chief Executive Officer who is also a Director of the Company) for the financial year ended 31 March 2024 are based on the annual fee of RM20,000.00 for each Director.

   The benefits payable to the Directors pursuant to Section 230(1)(b) of the Act have been reviewed by the Remuneration Committee and the Board of Directors of the Company, which recognises that the benefits payable is in the best interest of the Company for the applicable period from 30 August 2024 up to the conclusion of next AGM. The benefits comprise customary benefits such as business travel and accommodation, communication, medical and insurance coverage and other claimable benefits.

4. Ordinary Resolution 5: Re-appointment of Auditors

   The Audit and Risk Management Committee and the Board have considered the re-appointment of Messrs. CHENGCO PLT as auditors of the Company, are satisfied with the performance, competency, audit approach and independence of Messrs. CHENGCO PLT and viewed that they have met the relevant criteria prescribed by Rule 15.21 of AMLR of Bursa Securities.

(B) Explanatory Notes: (Cont'd)

5. Ordinary Resolution 6: Authority to issue and allot shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights

   The Ordinary Resolution proposed under Ordinary Resolution 6 is primarily to seek for renewal of a Previous Mandate (as defined herein) to give flexibility to the Board of Directors to issue and allot shares up to 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being, at any time in its absolute discretion without convening a general meeting (hereinafter referred to as the "General Mandate").

   The Company has been granted a general mandate by its shareholders at the last AGM held on 29 August 2023 (hereinafter referred to as the "Previous Mandate"). The Previous Mandate was not utilised and accordingly, no proceeds were raised.

   The General Mandate, upon renewal, will provide flexibility to the Company to undertake any possible fund raising activities, including but not limited to placement of shares, for the purpose of funding Company's future investment projects, working capital, acquisitions and/or such other purposes as the Directors may deem fit, without having to convene a general meeting, provided that the aggregate number of the shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

   The waiver of pre-emptive rights will allow the Board of Directors to issue new Ordinary Shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 20th AGM and/ or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/ or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
(Pursuant to Rule 8.29(2) of the AMLR of Bursa Securities)

- As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming 20th AGM.

- General Mandate for the issue of securities in accordance with Rule 6.04(3) of the AMLR of Bursa Securities.

  Details of the General Mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Act are set out in Note 5 of the Explanatory Notes of the Notice of the 20th AGM.

CORPORATE INFORMATION

BOARD OF DIRECTORS

- **Yeap Kong Chean**
  Chief Executive Officer
- **Tan Hoay Leng**
  Executive Director
- **Wong Khai Meng**
  Independent
  Non-Executive Director
- **Muhamed Ali Bin Hajah Mydin**
  Independent
  Non-Executive Director
- **Wan Chia Keong**
  Independent
  Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Wong Khai Meng
Chairman

Muhamed Ali Bin Hajah Mydin

Wan Chia Keong

NOMINATING COMMITTEE

Muhamed Ali Bin Hajah Mydin
Chairman

Wong Khai Meng

Wan Chia Keong

REMUNERATION COMMITTEE

Muhamed Ali Bin Hajah Mydin
Chairman

Wong Khai Meng

Wan Chia Keong

COMPANY SECRETARIES

Yeow Sze Min
(MAICSA 7065735)
(SSM PC No. 201908003120)

Low Seow Wei
(MAICSA 7053500)
(SSM PC No. 202008000437)

REGISTERED OFFICE

No. 35, Scotland Road,
10450 Penang.
Tel: 04-229 0619
Fax: 04-218 9870
Email: yglcorporate@gmail.com

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Suite 18.05, MWE Plaza,
No. 8, Lebuh Farquhar,
10200 George Town, Penang.
Tel: 04-263 1966
Fax: 04-262 8544
Email: info@sshsb.com.my

AUDITORS

CHENGCO PLT
LLP0017004-LCA & AF0886
No. 8-1, 10-1 & 10-2, Jalan 2/114,
Kuchai Business Centre,
Off Jalan Klang Lama,
58200 Kuala Lumpur.
Tel: 03-7984 8988
Fax: 03-7984 4402
Email: enquiry@chengco.asia

PRINCIPAL BANKERS

Malayan Banking Berhad
Ground Floor, MWE Plaza,
No. 8, Lebuh Farquhar,
10200 George Town, Penang.
Tel: 04-263 6685
Fax: 04-263 6645

Aminvestment Bank Berhad
Level 3, No. 37, Jalan Sultan Ahmad Shah,
10050 George Town, Penang.
Tel: 04-226 1818
Fax: 04-226 7324

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: YGL
Stock Code: 0086

WEBSITE

https://www.yglworld.com/

PROFILE OF DIRECTORS

YEAP KONG CHEAN

Chief Executive Officer

Gender	Male
Nationality	Malaysian
Age	62

Mr. Yeap Kong Chean was appointed to the Board on 1 June 2005. He is presently the Chief Executive Officer of the Company and also sits on the Board of subsidiaries of the Company.

He graduated with a Bachelor's degree in Commerce from University of Melbourne in 1984, with a double major in Accounting and Computer Science. He is an Associate member of the Institute of Chartered Accountant in Australia and the Malaysian Institute of Accountants.

He commenced his career in 1985 with Ernst & Young Malaysia, and had spent seven (7) years in serving Ernst & Young Malaysia and Australia. He had consulted both local and foreign companies of various industries and sizes whilst with Ernst & Young. He was appointed as a consultant on advisory role with Ygl Convergence Malaysia Sdn Bhd in 1993, assisting the company in business re-engineering and Enterprise Resource Planning ("ERP") deployment work. He was instrumental in taking Ygl Convergence Berhad listing on the ACE Market of Bursa Malaysia Securities Berhad (previously known as MESDAQ Market) in July 2005. He was appointed as Head of Industrial Revolution 4.0 Committee of the Malaysia-China Business Council under the purview of the Malaysia Prime Minister Department from 2018 to 2020.

He does not hold any directorship in public companies and public listed companies other than our Company.

He has no conflict of interest with the Group and has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2024.

He attended all the five (5) Board of Directors' Meetings held in the financial year ended 31 March 2024.

TAN HOAY LENG

Executive Director

Gender	Female
Nationality	Malaysian
Age	57

Madam Tan Hoay Leng was appointed to the Board on 12 May 2009. She presently oversees the Finance and Human Resources of Ygl Group.

She graduated with a Bachelor's degree in Commerce from University of Western Australia in 1990. She is a member of the Malaysian Institute of Accountants and the Australian Society of Certified Practising Accountants.

She commenced her career in 1991 with Coopers & Lybrand where she served for three (3) years. Madam Tan Hoay Leng was subsequently involved in public practice, providing consultation services to customers in various industries. She has vast experience in public accounting, taxation, outsourcing and human resource management.

She does not hold any directorship in public companies and public listed companies other than our Company.

She has no conflict of interest with the Group and has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2024.

She attended all the five (5) Board of Directors' Meetings held in the financial year ended 31 March 2024.

PROFILE OF DIRECTORS

WONG KHAI MENG

Independent & Non-Executive Director

Gender	Male
Nationality	Malaysian
Age	46

Mr. Wong Khai Meng, was appointed to the Board on 12 May 2020. He is the Chairman of the Audit and Risk Management Committee and a member of Remuneration Committee and Nominating Committee of the Company.

He is a member of the Malaysian Institute of Accountants (MIA) and a Certified Financial Planner with Financial Planning Association of Malaysia.

He graduated from Manchester University in the United Kingdom in 2000 and started his career in auditing. He held the position of Chief Operating Officer of CC International Berhad, a private professional business services company from 2010 to 2015, managing group operations from human resources, management information system, finance, customer service and business development. He was promoted to the position of Chief Executive Officer in January 2016 and has held the position until now.

He has extensive experience and expertise in assurance work of various industries and, in an advisory capacity, has helped set-up and grown many companies in Malaysia and Asia. He has experience in partnering and collaboration with various technology startups, blockchain and fintech companies.

He had acted as an Independent Non-Executive Director of a technology listed company during 2009 to 2011.

Currently, he does not hold any directorship in public companies and public listed companies other than our Company.

He has no conflict of interest with the Group and has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2024.

He attended all the five (5) Board of Directors' Meetings held in the financial year ended 31 March 2024.

MUHAMED ALI BIN HAJAH MYDIN

Independent &
Non-Executive Director

Gender	Male
Nationality	Malaysian
Age	53

Encik Muhamed Ali Bin Hajah Mydin, was appointed to the Board on 12 July 2021. He is the Chairman of Nominating Committee and Remuneration Committee. He is also a member of the Audit and Risk Management Committee of the Company.

He graduated with a Bachelor Degree in Electronic Engineering majored in Industrial Automation (Micro Electronic) from Hanyang University, Seoul, Korea. He also holds a Master Degree in Information Technologies majored in Mobile and Internet Security from University Sains Malaysia. He is currently pursuing PhD studies in Manufacturing Engineering at University Malaysia Perlis (UNIMAP).

Prior to joining Penang Skills Development Centre ("PSDC") as Chief Executive Officer ("CEO") in 2014, he held top management positions in a system integrator company focusing on telecommunication solutions and a company specialising in assembly of computing devices and providing ICT solutions. During his tenure with PSDC, he steers workforce transformation programmes not only in Penang but also nationwide. He had successfully established PSDC as a Centre of Excellence in Industry 4.0 in Precision Machining and Manufacturing processes, focusing not only on new state of the art equipment and processes but also upgrading of older machineries and equipment, with a low investment, to migrate to Industry 4.0 technology. He was appointed as High-Level Task Force Industry 4.0 by Ministry of International Trade and Industry (MITI) from 2019 to 2022.

He is currently the CEO of Walta Ideaville Automation Sdn Bhd, a company that specialise in designing and building smart and intelligent equipment's to increase productivity and efficiency in the manufacturing industry.

He does not hold any directorship in public companies and public listed companies other than our Company.

He has no conflict of interest with the Group and has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2024.

He attended all the five (5) Board of Directors' Meetings held in the financial year ended 31 March 2024.

PROFILE OF DIRECTORS

WAN CHIA KEONG

Independent &
Non-Executive Director

Gender	Male
Nationality	Malaysian
Age	44

Mr. Wan Chia Keong was appointed to the Board on 01 October 2022. He is also a member of the Audit and Risk Management Committee, Remuneration Committee and Nominating Committee of the Company.

He graduated with a Bachelor of Business in Marketing from Auckland University of Technology, New Zealand in 2001. He also earned a graduate certificate in Business from the same university.

He started as a Management Trainee in the packaging industry in New Zealand and Australia in 2000 before climbing the ranks in various operational positions in the global packaging company Amcor Flexibles Pty Ltd.

When he returned to Malaysia in 2003, he joined Thong Guan Industries Berhad ("TGIB") as an Operation Executive and eventually promoted to General Manager where he was responsible in developing business strategy, overseeing sales and manufacturing operation of the plastic packaging division. He has extensive global market experience in spearheading TGIB export business.

He founded and became the Managing Director of Respack Group of Companies in 2011 specialising in manufacturing of flexible plastic packaging and materials. He has expanded his business into manufacturing of medical face masks and personal hygiene products in 2020.

Under his leadership and backed by more than twenty (20) years of experience in the global packaging industry, Respack Group of Companies have attained several business accolades for innovation and manufacturing excellence.

He does not hold any directorship in public companies and public listed companies other than our Company.

He has no conflict of interest with the Group and has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2024.

He attended all the five (5) Board of Directors' Meetings held in the financial year ended 31 March 2024.

i. Family Relationships with Directors and/or Major Shareholders

Directors	Description
Yeap Kong Chean	Spouse of Madam Tan Hoay Leng, Executive Director of the Company. He is also the brother of Yeap Kong Tai (deceased), a major shareholder of the Company.
Tan Hoay Leng	Spouse of Mr. Yeap Kong Chean, a Director and major shareholder of the Company.

Save as the above disclosure, none of the other Directors has family relationship with any other Directors or major shareholders of the Company.

ii. Directors' Shareholdings

Details of the Directors' shareholdings in the Company can be found in the Analysis of Shareholdings section in this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

YONG CHENG YEW

INNOVATION MANAGER

Malaysian | Male | Aged 46

Mr. Yong Cheng Yew joined the Company as Senior Developer Manager on 20 June 2011. He graduated from University of Queensland with a Bachelor's Degree in Computer Science/Information Technology in year 2002.

He started his career with Mightysoft System Sdn Bhd in 2002 where he spent three (3) years as Programmer. He spent another three (3) years in Platronix Sdn Bhd as Enterprise Resource Planning ("ERP") consultant. His responsibilities included handling customer implementation and technical issues. He was also responsible for analysis of customers' requirements, creating system documents, design, software development and implementing solutions to meet system specifications.

When he joined the Company in 2011 as Senior Developer Manager, he started developing Ygl ERP system, managing resource allocation and management to ensure delivery of quality software on time. He assumed the role of Senior R&D Manager in 2015 and led his team in the development of ePortal and ERP solutions with Industry 4.0 capability.

He was promoted to Innovation Manager in December 2019 to oversee the development of cloud-based solutions and applications to enhance Ygl product offerings.

He has no family relationship with other directors and/or major shareholders of the Company, nor any conflict of interest with the Company. He does not hold any directorships in any other public listed companies. He has no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2024.

YEAP KAH PHAIK

HEAD OF TRAINING

Malaysian | Female | Aged 59

Ms. Yeap Kah Phaik joined the Company as Project Manager on 15 January 2015. She graduated from University of New England with a Bachelor of Finance degree in 1989.

She started her career as an auditor in accounting firms. She had been working in Flextronics Sdn Bhd as Manager in charge of Business Process Improvement, System Support and Conversion for fifteen (15) years. The projects she was involved in included implementing enterprise solution in SAP, BAAN, OutlookSoft etc. She also acquired a number of years of experience in Multi-National Company ("MNC") as system administrator and project implementor.

When she joined the Company in 2015, she was able to immediately take on the role of Project Manager for ERP systems. Her MNC and accounting background has supported her well in successfully implemented Ygl E-Manufacturing solution for various customers from manufacturers to charitable organisation to property developer. She has relinquished her Project Manager role and is currently in charge of the training department which has worked with the Malaysia Productivity Corporation ("MPC") to provide training on Industry 4.0 and IIoT solutions. She is also involved in providing training and showcasing e-Invoicing solution under the Human Resource Development Corporation ("HRD Corp").

She is the sister of Mr. Yeap Kong Chean, a Director and major shareholder of the Company. She is also the sister of Mr. Yeap Kong Tai (deceased), a major shareholder of the Company. She is the sister in law of Madam Tan Hoay Leng, an Executive Director of the Company.

She holds 1.745 million ordinary shares in the Company which is 0.64% shareholding. She does not hold any directorships in any other public listed companies. She has no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2024.

PROFILE OF KEY SENIOR MANAGEMENT

HO SOO WEE

GROUP MARKETING MANAGER

Malaysian | Male | Aged 56

Mr. Ho Soo Wee joined the Company as Assistant Marketing Executive on 2 February 2006. He graduated with a Bachelor in Computer Studies from Edith Cowan University, Western Australia in year 1991. He further obtained his Master of Business Administration in 1995 from University of Portsmouth, United Kingdom.

His first job was with B.Braun Medical Industries Sdn Bhd from 1991 to 1994 where he began as an Assistant System Engineer and was later promoted to System Engineer and Analyst Programmer. His responsibilities included overseeing and maintenance of system security, network connectivity and integration. He also prepared manual for network structure, hardware/software configuration and recovery plan.

He made a career move to the financial market in 1995 by joining Thong & Kay Hian Securities Sdn Bhd, a prestigious stockbroking firm, as a dealer's representative trading in equities and options. After Thong & Kay Hian Securities Sdn Bhd was acquired by Hwang-DBS Securities Berhad in year 2004, he stayed on until 2006.

He became the Group Marketing Manager on 1 October 2006 and took on the task of setting up Ygl own marketing department by planning and implementing marketing strategies in alignment with the Company's brand objectives. He gained good experience working with public relation companies to launch investor relation events and establish rapport with members of the media and customers.

With his background and experience, he has contributed to managerial meeting. He is currently the leader for Corporate Social Responsibility activities of the Company. Through which he empowers people to expand their limits, increase their commitment and focus on achieving a united organisational goal.

He holds 50,200 ordinary shares in the Company which is representing 0.02% of the shareholding.

He has no family relationship with other directors and/or major shareholders of the Company, nor any conflict of interest with the Company. He does not hold any directorships in any other public listed companies. He has no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2024.

PROFILE OF KEY SENIOR MANAGEMENT

YEAP SEONG SUN
PROJECT MANAGER

Malaysian | Male | Aged 31

Mr. Yeap Seong Sun joined the Company as Consultant on 16 June 2020. He graduated from DePaul University in Chicago, USA with a Bachelor Degree in Accounting in 2017.

He started his career as an auditor with Crowe Malaysia in January 2018 and was holding senior audit position when he left in June 2019. He joined KPMG Malaysia advisory division in July 2019. During his time in audit and advisory, he had garnered experience in accounting, audit and internal control, process flow and operation knowledge with exposure to multiple ERP systems like SAP etc.

He joined the Company as ERP consultant in 2020 and was involved in the end-to-end implementation of numerous projects from various industries. With his accounting background and knowledge of ERP system, he has progressively taken on responsibilities and was promoted to Project Manager on 1 November 2021. He has effectively restructured the project team and strengthened project milestones and deliverables. He has been responsible to further enhance the performance of the project team and deliver product and service excellence to customers.

He is the son of Mr. Yeap Kong Chean, a Director and major shareholder of the Company and Madam Tan Hoay Leng, an Executive Director of the Company.

He holds 35,000 ordinary shares in the Company which is representing 0.01% of the shareholding. He does not hold any directorships in any other public listed companies. He has no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2024.

CHIN KONG TAI
GENERAL MANAGER

Malaysian | Male | Aged 54

Mr. Chin Kong Tai joined the Company as General Manager of solar division on 1 April 2023. He graduated from University of Texas at Austin, United States of America in Electrical Engineering in 1992.

He started his career with Motorola Penang as Quality Assurance Engineer responsible for quality and reliability of the handheld and mobile radio. Three (3) years later, he joined Lucent Technologies as site engineer supporting Celcom to deploy the first 2G GSM mobile network in Malaysia. He was promoted to technical support manager within four (4) years after working as a site integration and technical support engineer. He gained extensive working experience as consultant for Nokia Taiwan, Nokia China and Alcatel Lucent Brunei for 2G mobile network rollout from 2000 to 2005.

In 2006, he joined UCE Sdn Bhd ("UCE") as project manager and later became its director. He has wide engineering knowledge in telco services supporting brand names such as Nokia, Huawei, Ericsson and ZTE. In 2014, he led UCE to transition into telco full turnkey solution provider and was involved in telco solar hybrid solution when he supported a subsidiary company of UCE on solar engineering, procurement, construction and commissioning (EPCC).

In 2019, in order to venture into the renewable energy industry, he equipped himself as a certified competent person for design of solar photovoltaic system with Sustainable Energy Development Authority of Malaysia (SEDA).

When he joined the Company in 2023, he revamped its solar energy strategy roadmap to focus more on commercial & industrial (C&I) customer, and also helped to improve its OPEX and CAPEX resulting in its eventual turnaround to achieve profitability within a year. He has set renewable energy business as a new revenue foothold for the Group in line with the Group's direction of sustainable manufacturing through ERP solutions.

He has no family relationship with other directors and/or major shareholders of the Company, nor any conflict of interest with the Company. He does not hold any directorships in any other public listed companies. He has no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2024.

CHIEF EXECUTIVE OFFICER'S STATEMENT, MANAGEMENT DISCUSSION & ANALYSIS

On behalf of the Board of Directors ("Board") and the management team of Ygl Convergence Berhad ("Ygl" or "the Company") and its subsidiaries (collectively as "the Group"), I would like to present the Annual Report and Audited Financial Statements of the Group and of the Company for the financial year ended 31 March 2024 ("FYE2024").

Digitalisation of our local business community has always been the forefront of our government initiative in accelerating growth and increasing productivity. Our role, as a local niche Enterprise Resource Planning ("ERP") solution provider, is to support small and medium sized ("SMEs") and large local companies ("LLCs") to embrace digital transformation in tandem with the market technological evolvement. Our Smart Warehouse and Smart Manufacturing solutions backed by our ERP solution enable our customers to streamline overall processes, increase efficiency and boost competitiveness in face of market challenges.

The government's digital economy blueprint especially on business digital transformation remained clear and unchanged via the various programmes under Malaysian Investment Development Authority ("MIDA"), Malaysia Digital Economy Corporation ("MDEC") and tax incentives to spearhead SMEs and LLCs to digitalise and automate their business processes. Ygl possesses the domain expertise to provide the manufacturing and logistics sectors with the relevant Artificial Intelligence ("AI"), robotic and machine integration technologies.

Our renewable energy segment has gained traction within the market covering both commercial and residential projects where installation of solar systems strikes a chord with carbon-footprint conscious customers. We are working towards strengthening our foothold and market share in the solar market as well as playing our small part in contributing to the sustainability of the environment.

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

Our customers were mainly from the manufacturing sector, and they had been saddled by rising labour and material costs amidst slower sales in the market. A handful of our customers had been successful in obtaining government grant or commercial loan. SMEs are gradually realising the importance and benefits of digital transformation for their business operation.

FINANCIAL PERFORMANCE REVIEW

Ygl recorded revenue of RM11.822 million for FYE2024 while gross profit was RM3.837 million at 32.46%, as compared to the revenue of RM11.832 million and gross profit of RM2.039 million at 17.23% recorded in the financial year ended 31 March 2023 ("FYE2023").

Net profit attributable to ordinary equity holders of the parent was RM0.214 million in FYE2024 as compared to net loss attributable to ordinary equity holders of RM1.325 million in FYE2023.

Software Segment

The software segment recorded revenue of RM5.779 million for FYE2024 as compared to revenue of RM5.226 million for FYE2023. Net loss from operations was RM0.214 million for FYE2024 as compared to net loss from operations of RM0.865 million for FYE2023.This was mainly due to higher revenue and better margin recorded in FYE2024.

Solar Segment

The solar segment recorded revenue of RM6.044 million for FYE2024 as compared to revenue of RM6.607 million for FYE2023. Net profit from operations was RM0.989 million for FYE2024 as compared to net loss from operations of RM0.505 million for FYE2023. This was mainly due to improvement in solar project margin where the gross margin for last year was eroded by increase in material costs post-Covid for solar projects committed to customers previously.

Net profit per share for the FYE2024 was 0.08 sen as compared to net loss per share of 0.52 sen for FYE2023.

RESEARCH AND DEVELOPMENT ("R&D")

For FYE2024, the Group invested RM0.830 million in the R&D of Ygl's proprietary products as compared to the R&D expenditure of RM1.039 million for FYE2023. R&D effort remained essential for Ygl to invest in technology and innovation for new development in Ygl proprietary products incorporating cloud computing, AI and machine learning functions to cater for shift in market requirements.

STRATEGIES AND INITIATIVES

Ygl, based on its strong domain expertise in supporting SMEs and LLCs, will continue to leverage on its ERP, Smart Manufacturing and Smart Warehouse solutions to improve its performance and financial position through various undertakings such as:

(i) Relentless R&D activities to gear up Ygl proprietary solutions with relevant technologies such as AI, automation and machine integration.

(ii) Continuous marketing efforts which comprise digital marketing, organising seminars and talks, branding through roadshows to consolidate Ygl's brand and presence as a niche digitalisation enabler with its own intellectual property (IP) as well as promoting its subsidiary, namely Ai Solar Sdn Bhd as a quality engineering, procurement, construction and commissioning (EPCC) solar service provider for factories, shop houses and residences.

(iii) Establishing a business partner network to improve sales opportunities.

FUTURE AND PROSPECTS OF YGL GROUP

Coming into the year 2024, we see a slight improvement of market sentiment where the European Central Bank had reduced its main interest rate for the first time in five years and easing of uncertainty two years after the start of Russia-Ukraine war as compared to previous years where the United States raised interest rates eleven times from year 2022 to 2023.

We hold a cautiously optimistic outlook in the foreseeable future for the software segment where the world trend is moving towards AI, Industry 4.0 automation and Environmental, Social, and Governance ("ESG") management software. ESG management software will gain traction over the next few years where exports to Europe and America will very much depend on the ESG performance and governance of Malaysian companies.

The jittery caused by the mandatory implementation of e-Invoicing from August 2024 to July 2025 for all taxpayers in Malaysia will create demand for e-Invoicing compliant software to facilitate taxpayers in meeting the e-Invoicing mandates.

Malaysian SMEs cannot resist adoption of technology to stay competitive as businesses in the world are shifting towards digitalisation and automation. Software solutions such as Ygl's proprietary products will be much needed in the years to come.

The government continues to offer grants and tax incentives to SMEs in Malaysia to embrace digitalisation through upgrading of systems including ESG related expenditure and e-Invoicing consultation fee. These grants and tax incentives are also available for Ygl's solutions.

There is space for growth in solar adoption especially amongst Malaysian homes. Installation of solar panels provides both commercial entities and individuals a tangible way to reduce their electricity bills and carbon footprints. Besides tax incentives and Net Energy Metering Programme offered by MIDA and Sustainable Energy Development Authority Malaysia (SEDA) respectively to commercial and industrial users, there is new "Solar for Rakyat Incentive Scheme" for domestic users to install solar photovoltaic (PV) systems effective from April 2024.

APPRECIATION

I wish to take this opportunity to extend my appreciation to:

- our valued customers for sharing our business philosophy;
- our business partners for working with us in providing the most effective business solutions;
- my fellow Board members for their wisdom and guidance;
- the management team and employees for their contribution and dedication to our corporate vision; and
- our shareholders for their continued support.

Yeap Kong Chean
Chief Executive Officer

Date: 18 July 2024

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

Ygl Convergence Berhad ("Ygl" or "the Group") is honoured to present our Annual Sustainability Statement ("SS") ("the Statement") for financial year 2024. This Statement provides an overview of the Group's sustainability performance during the period of 1 April 2023 to 31 March 2024 ("FY 2024"), unless stated otherwise.

ABOUT YGL CONVERGENCE BERHAD

Ygl Convergence Berhad ("Ygl" or the "Company") stands as a leading provider of Enterprise Resource Planning ("ERP") and Industry 4.0 manufacturing solutions within Malaysia. With a firm foothold in the region, Ygl also spearheads Web and Apps-based internet portal services throughout Asia. Our dedicated team, consisting of Certified Accountants, Software Designers, SQL Database Programmers, Dot Net Developers, ESG, and Software Consultants, operates from Malaysia, where our intellectual property rights are safeguarded.

Ygl maintains our focus, enhance our capabilities in providing products and services, and diligently pursue talent development strategies. While we have achieved many milestones and moments of joy, we also inevitably face challenges and are exposed to sustainability risks that hinder us from reaching our greatest potential. We remain vigilant and have taken remedial action to ensure that demand is fulfilled despite these challenges.

Sustainability has always been a priority for Ygl. We believe that business growth is not limited to the business entity alone, but also extends to fostering the growth of other parties. Businesses should contribute to the world by creating a better environment for the future, rather than solely focusing on achieving the highest return for the company. We have implemented internal measures to identify, evaluate, and monitor material sustainability. Additionally, we recognise that the Sustainability Report is a key communication tool for stakeholders. The report contains comprehensive evidence that illustrates our efforts and the impact we have achieved through stringent measures.

Ygl and its subsidiaries (hereinafter refers as "Group") are now embarking on the task of creating a technology-driven and innovative ICT Group operating in the Information and Communications Technology realms of the financial sector, enterprise, and end consumer. In its new form, the Group will be financially solutions-focused with high content creation and delivery. The ongoing development and enhancement of applications and solutions, particularly in specialised business modules, represent a value accumulation center for the Company. Through focused and packaged business applications, the Group is now positioned to work closely with industry players, government agencies, and financial institutions with its offerings under the proprietary trademark "Ygl Products".

At the heart of our operations lies a robust Research & Development Centre, equipped with the expertise to develop turnkey systems. Collaborations with esteemed organisations such as The Ministry of Investment, Trade and Industry (MITI), The Malaysia External Trade Development Corporation (MATRADE), Malaysia Productivity Corporation, and Penang Skills Development Centre (PSDC) underscore our dedication to driving Industry Revolution 4.0 initiatives forward.

ERP systems serve as the cornerstone of effective Information Management and organisational infrastructure. Ygl remains steadfast in our pursuit of sustainability, leveraging technology to enhance efficiency and promote responsible business practices.

OUR CORE BUSINESSES

Information Technology

Our Information Technology division is a leading Enterprise Solution provider of technology consulting and

Revenue:

RM5.8
million

Transformed more than **1,000** business entities across Asia

100%
success track record
in project implementation

Solar Technology

Our Solar Technology division is a leading Solar Installer provider of Green technology system integration.

Revenue:

RM6.0
million

Transformed more than **500** commercials/residentials in Malaysia

100%
success track record
in project implementation

Ygl is a renowned integrator, collaborating with Machine Connectivity vendors to deliver comprehensive solutions that seamlessly integrate big machine data into our ERP platform. This integration facilitates capacity planning, strategic analysis, and enterprise-wide insights, empowering users to realise a rapid return on investment and leverage a flexible IT infrastructure conducive to innovation and growth.

Our ERP system boasts flexible and advanced features designed to meet the diverse needs of organisations across industries. Seamlessly integrated with Sales & Purchase cycles, Inventory and Warehouse Management, Production, and Shop Floor Controls, our ERP enables efficient planning and streamlined operations. Management can easily generate reports and access real-time dashboards to monitor financial, sales, and operational performance metrics.

Aligned with Industry 4.0 principles, our ERP system adheres to international standards and complies with Malaysian Government regulations such as Sales & Service Tax ("SST"), The Malaysian Financial Reporting Standards (MFRS), and Malaysian Private Entities Reporting Standard ("MPERS"). Offering scalability to accommodate businesses of all sizes and budgets, our solution facilitates both vertical and horizontal integration, connecting suppliers, customer service networks, and internal controls. Leveraging web-enabled technologies and intelligent computing, our ERP empowers businesses to meet the demands of e-business practices while ensuring easy management oversight and enhanced connectivity.

Ygl is committed to establishing a world-class brand originating from Malaysia, dedicated to responsible practices that benefit humanity and society. As pioneers in the Industrial Revolution 4.0, we lead the Malaysia-China Business Council's committee under the auspices of the Malaysia Prime Minister Department. With government approval as the primary supplier of INDUSTRY 4.0 solutions in Malaysia, we collaborate closely with esteemed organisations like Malaysia SME Corporation and Malaysia Productivity Corporation.

As the official training partner and solution provider for the Negeri Sembilan State Skills Development Centre (NSSDC) on Smart Manufacturing and Smart Warehouse solutions, Ygl ERP 4.0 stands as a hallmark of flexibility and adaptability. With locally-owned intellectual property and source codes, we tailor solutions to meet our customers' specific needs. Our ERP 4.0 software seamlessly integrates with both local and global applications, interfacing effortlessly with Smart Machines and IIoT devices. Priced in Ringgit Malaysia, our solutions offer maximum return on investment for our clients.

OUR CORE BUSINESSES (CONT'D)

Drawing from two decades of experience as dominant resellers and implementation partners for the world's top 5 ERP vendors, we deliver world-class solutions grounded in international best practices. Our user-friendly approach ensures quick implementation, tailored to suit the Asian business environment. Our solutions are designed to be easily managed by staff with varying skill levels.

Backed by Chartered Accountants and 20 years of partnering with leading ERP vendors, our Finance and Costing capabilities are unparalleled. We hold certifications in Asian Government indirect taxes such as Goods and Services Tax (GST), SST, and Value Added Tax, as well as International Accounting and Reporting standards like International Financial Reporting Standards (IFRS) and MPERS.

Having facilitated over 1,000 successful implementations since 1993, Ygl has garnered numerous international and local awards, cementing our position as a leader in the industry.

WHERE YGL OPERATES

Ygl is in Malaysia, Singapore and Hong Kong, China. The Information Technology division operates in Penang and Kuala Lumpur of Malaysia and Singapore whereas solar division operates in Kuala Lumpur Malaysia.

Malaysia
Key location :

Suite 9-10, Wisma UOA II,
Jalan Pinang,
50450 Kuala Lumpur, Malaysia

Singapore
Key location :

65, Chulia Street,
#46-00, OCBC Centre,
Singapore 049513

Hong Kong
Key location :

Workshop A2, 7/F.,
Hop Hing Industrial Building,
704 Castle Peak Road,
Kowloon

Information Technology Developments	**Solar Technology Developments**

PROJECTS IN MALAYSIA

Manufacturers in the following industries:

- Food
- Metal
- M & E
- Paint
- Paper
- Plastic
- Wood
- Distributors

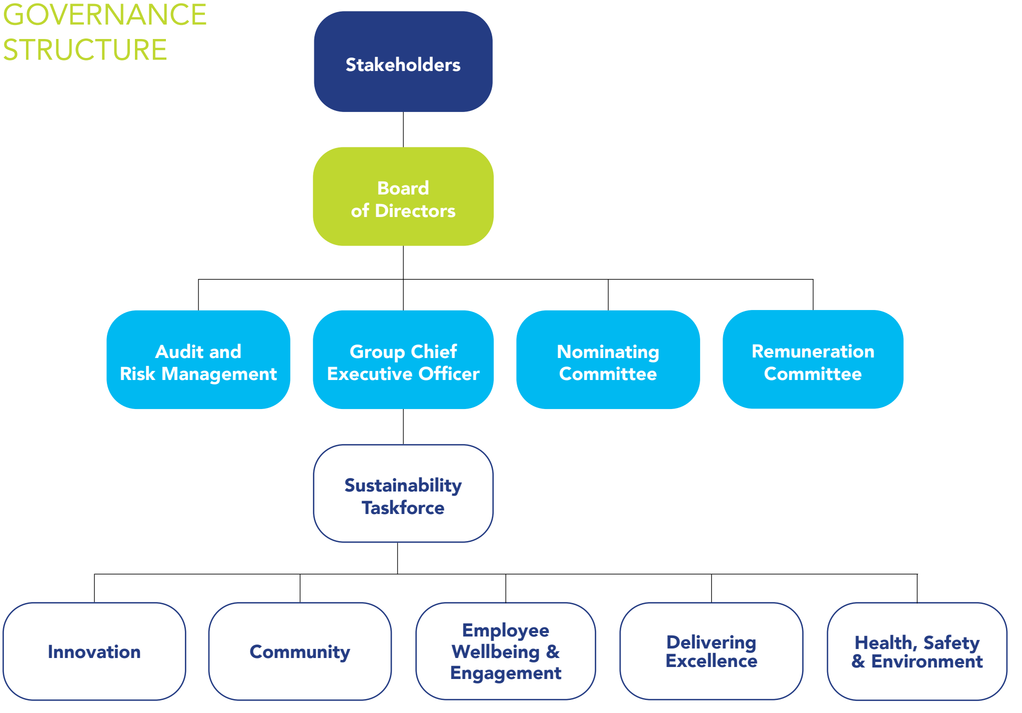
Roof top for the following:

- Factories
- Petrol station
- Banks
- School
- Offices

GROUP STRUCTURE AND OPERATING ENTITIES

Information Technology Division	100%	Ygl Convergence Malaysia Sdn Bhd
	100%	Ygl Multimedia Resources Sdn Bhd
	100%	Ygl Intelligent Technology Sdn Bhd
	80%	NS Infotech Sdn Bhd
	100%	Ygl Convergence (HK) Ltd
	100%	Ygl Technologies Pte Ltd
Solar Technology Division	94.29%	Ai Solar Sdn Bhd
Associated Division	9.60%	Ygl iBay International Sdn Bhd

GOVERNANCE STRUCTURE



SCOPE AND BASIS OF SCOPE

This Statement covers the Group's sustainability performance and progress in our business operations in Malaysia and selected geographical locations, specifically Malaysia and Hong Kong, China.

We have excluded the following from our reporting scope:

a) Operations in Singapore, as we only maintain a virtual office there, which has minimal impact on the Group's overall sustainability performance and progress.

b) Operations in Ygl iBay, as it is an associate company of Ygl.

We have expanded the reporting scope of this Statement to include our operations in Malaysia, as the Group managed to obtain full-year 2024 data.

REPORTING FRAMEWORKS AND STANDARDS

This Statement has been prepared in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), referencing Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), the Global Reporting Initiative ("GRI") Standards, the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations, the Sustainability Accounting Standards Board ("SASB") Standards, and the International Sustainability Standards Board (ISSB) Standards.

FEEDBACK

We welcome and encourage feedback from our stakeholders regarding this Statement and the issues addressed herein. Please contact us at sustainability@yglworld.com.

SUSTAINABILITY STATEMENT

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

The Group's sustainability governance structure is seamlessly integrated into our corporate governance framework. To ensure sustainability is embedded across all aspects of our organisation, the responsibilities of our Board and its committees will be expanded to include sustainability elements. The Board of Directors ("Board") is ultimately responsible for the Group's strategic direction on sustainability, supported by the respective Board Committees through delegation.

Ygl will start with forming a Sustainability Taskforce to assists the Board with sustainability reporting on the organisation's material sustainability matters. The Taskforce is headed by designated employee who has undergone ESG training.

The Board is committed to staying informed about sustainability management, including guides on key economic, business, environment and social issues. The Board is also to ensure practices in sustainability are incorporate into all critical decision-making processes and implementations.

Additionally, the Board ensures its members possess the necessary competencies in sustainability through periodic assessments, enhancing their leadership and oversight in sustainability matters.

Board of Directors

- The Board holds the ultimate responsibility for the strategic direction and oversight of sustainability within the organisation.
- The Board remains committed to staying informed about sustainability management, including climate-related risks and opportunities. They achieve this by regularly participating in capacity-building programs. Additionally, the Board ensures that its members possess the necessary competencies in sustainability through periodic assessments, which enhances their leadership and oversight capabilities in sustainability matters.

Audit And Risk Management Committee

- Reviews the adequacy and integrity of the Group's internal controls systems and processes.
- Oversees the conduct of assurance activities pertaining to the company's sustainability reporting processes.
- Scrutinises the links between Company's material sustainability matters and financial performance.

Nominating Committee

- Assesses and recommends for the re-election of directors at Annual General Meeting.
- Reviews independence of the Independent Directors of the Company.
- Reviews the effectiveness of the Board
- Reviews the terms and performance of the Audit and Risk Management Committee.

Remuneration Committee

- Reviews and recommends the remuneration package of Executive Directors, key senior management to the Board for approval.
- Reviews and recommends the Directors' fees and benefit payable to the Directors of the Company for shareholders' approval.

Sustainability Taskforce

- Creates ESG awareness in the Group and takes initiative in sustainability reporting.
- Coordinates employee engagement on management of material matters.
- Compiles data and sustainability report for the Board.
- Undertake materiality assessment process.

STAKEHOLDER ENGAGEMENT

Ygl engages with a broad range of stakeholder groups that influence or are influenced by our activities. Our key stakeholders include shareholders, investors, government agencies and regulators, customers, employees, communities, suppliers and contractors, and the media. These groups were identified based on their varying levels of influence over and dependence on our business.

As a Group, we strive to maintain constructive communication channels with all our key stakeholders. Regular engagements are conducted through both formal and informal means. These interactions enable us to identify relevant material issues, gain insights into emerging opportunities and risks, and respond to stakeholder needs more effectively.

In our effort to achieve maximum impact, Ygl strives to establish long-term partnerships with stakeholders in our employee and community programs, government authorities, customers, suppliers, and the media. For instance, we collaborate with business and trade associations such as the Federation of Malaysian Manufacturers (FMM), Digital Penang (DP), Penang Chinese Chamber of Commerce (PCCC), The Small And Medium Enterprises Association Malaysia (SAMENTA), and Malaysia Productivity Corporate (MPC).

By engaging with these groups, we aim to foster a collaborative approach that enhances our sustainability initiatives and drives positive outcomes for all involved. Through ongoing dialogue and cooperation, we can better understand stakeholder expectations and work together towards achieving our sustainability goals.

Key Stakeholders	Engagement platforms	Area of interest or concerns	Our response
Shareholders and Investors	**As needed** • Press releases • One-on-one and group meetings **Quarterly** • Financial reports and announcements • Investor briefings **Annually** • General Meetings • Annual Reports	• Business strategies and future plan • Group's overall performance • Good management and corporate governance • Mitigation and adaptation to climate change	• Timely updates on the Group's strategy and financial performance via investor briefings and announcements • Uphold good governance practices across the Group, and supply chain • Outline climate reduction and adaptation strategies • Monitor sustainability performance and targets
Government Agencies and Regulators	**Ongoing** • Participation in government and regulatory events • Dialogues and thought leadership programmes • Print, digital and social media **As needed** • Scheduled/ad-hoc meetings	• Regulatory compliance including environmental and social compliance • Corporate governance practices • Sharing of best practices	• Regular review and monitoring of risk register including climate-related risks by the Risk, Integrity and Compliance Department • Full compliance with regulatory requirements • Adoption of practices outlined in the Malaysian Code on Corporate Governance • Support government initiatives

STAKEHOLDER ENGAGEMENT (CONT'D)

Key Stakeholders	Engagement platforms	Area of interest or concerns	Our response
Customers	**Ongoing** • Customer support channels (i.e., website, mobile app) • Print, digital & social media **Yearly** • Public engagement events (i.e., exhibitions, seminars) **Success Stories** • Customer Testimonials	• Affordable products and services • High-quality products and services • Customer experience (i.e., speed of customer service response) • Consumer data privacy • Reasonable pricing in Ringgit	• Offer affordable products and services through E-Invoice, ERP, Smart Warehouse, Smart Manufacturing Industry 4.0 software solution • Ticketing system to support customers enquiries
Employees	**Ongoing** • Internal communications (i.e., newsletters, emails) **As needed** • Corporate announcements • Workshops and trainings **Half Yearly** • Employee engagement programmes and events **Yearly** • Employee Appraisals	• Business growth and strategic direction • Inclusive workplace • Remuneration and benefits • Career development and upskilling opportunities • Health and safety at the workplace • Work-life balance	• Promote transparent communication with employees • Provide equal employment opportunities without discrimination • Offer industry-competitive benefits and remuneration packages • Provide relevant upskilling and development opportunities • Flexible work arrangements
Community and NGO	**Ongoing** • Print, digital and social media **As needed** • Strategic and ad- hoc meetings/visits **Yearly** • Community impact programmes	• Healthy and sustainable built environment • Community welfare and continued livelihood	• Investment in education and welfare to improve community well-being

STAKEHOLDER ENGAGEMENT (CONT'D)

Key Stakeholders	Engagement platforms	Area of interest or concerns	Our response
Suppliers	**As needed** • Meetings **Bi-annual** • Supplier assessment/ performance appraisals	• Efficient procurement processes • Transparency in procurement processes	• Improve efficiency by digitalisation of procurement processes • Emphasis on provision of transparent procurement processes • Ensure suppliers' compliance with the Group's Health and Safety Policies and Procedures
Media	**Ongoing** • Media releases and interviews • Social media **As needed** • Advertorial placements • Media briefings and press kit • Press Conference	• Transparency in communicating information and updates on business performance and initiatives, including on ESG and community impact programmes	• Engage media regularly through mainstream news and information channels on Ygl's sustainability performance • Respond in a timely manner to media enquiries via the Marketing department

MATERIAL MATTERS

As an organisation, Ygl recognises that our material issues can directly and indirectly impact our ability to create long-term value for our stakeholders. Starting in 2024, we conducted materiality assessment involving both key internal and external stakeholders to ensure their interests and concerns are addressed.

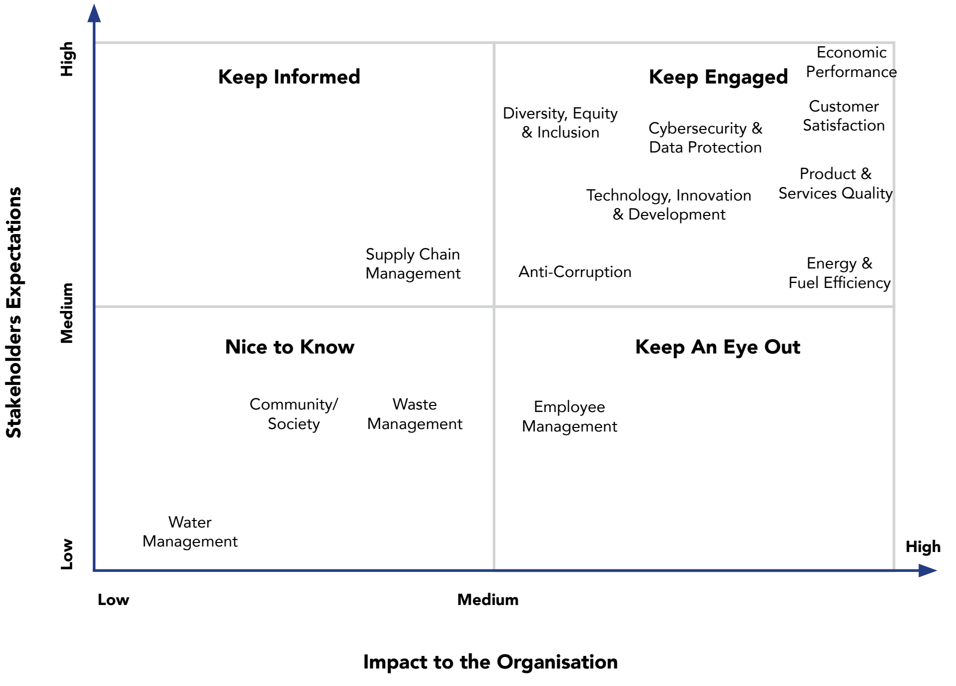
Our material matters influence our business strategy and decisions regarding the allocation of resources to significant sustainability issues. While we aim to conduct a comprehensive materiality assessment every three (3) years, we will undertake an annual review to evaluate the relevance of our previously prioritised economic, environmental, social, and governance impacts arising from our day-to-day activities.

This year through our limited-scale materiality review, we identified thirteen (13) material matters through a comprehensive materiality assessment, reflecting their utmost relevance with Ygl's strategic priorities and stakeholder expectations. These were also benchmarked against our local and regional peers as well as considered emerging risks and relevant frameworks which are Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), GRI Standards and SASB Standards.

MATERIAL MATTERS (CONT'D)

Material Matters	Description
Economic Performance	Economic value generated and distributed to stakeholders by Ygl
Anti-Corruption	Promoting ethical business and transparency by avoiding all forms of corruption such as bribery
Cybersecurity & Data Protection	Safeguarding the company from cyber threats including protecting customers' sensitive information and preventing data breaches
Customer Satisfaction	Improving customers' experience with the Company's products and services through soliciting feedback
Employee Management	Efforts in recruiting and retaining talent as well as enhancing overall productivity of our workforce
Energy & Fuel Efficiency	Reduces consumption and emissions by optimising usage and adopting renewable sources
Diversity, Equity & Inclusion	Ensuring fair treatment to all employees, with dignity and without any form of discrimination based on gender, race, religion, age, nationality, disability, etc.
Supply Chain Management	Promoting responsible and sustainable procurement practices including assessing suppliers and their environmental and social impacts in accordance with the established criteria
Community/Society	Supporting communities that are economically disadvantaged through engagement programmes that create a positive social impact
Waste Management	Efforts to reduce, reuse, recycle and responsible disposal of waste
Water Management	Efficient use of water and conservation of water resources
Product & Services Quality	Ensures customer satisfaction, reliability, and continuous improvement for competitive advantage
Technology, Innovation & Development	Drive sustainable growth by enhancing efficiency, productivity, and environmental responsibility

YGL'S
MATERIALITY MATRIX 2024



1	Anti-Corruption	8	Cybersecurity & Data Protection
2	Community/Society	9	Water Management
3	Diversity, Equity & Inclusion	10	Waste Management
4	Energy & Fuel Efficiency	11	Economic Performance
5	Customer Satisfaction	12	Employee Management
6	Supply Chain Management	13	Product & Services Quality
7	Technology, Innovation & Development		

Our Materiality Matrix renews our focus on material matters which forms the basis of this report, while the respective indicators facilitate the monitoring and measurement of our sustainability performance.

SUSTAINABILITY FRAMEWORK

Ygl's sustainability framework has been refined to align with our business strategy and is guided by the Group's vision and mission. Through our framework, we aspire to meet the needs of our stakeholders, reduce our environmental impact as well as contribute positively to the local communities where we operate. It outlines our focus areas which are: Delivering Excellence, Responsible Supply Chain, Empowering Our People and the Community, and Caring for the Environment. We aim to deliver the objectives under each focus area by addressing the concerns related to each of our material matters. Accordingly, we have set targets to enable us to accelerate and monitor our sustainability performance. By linking these targets to a performance scorecard, we are able to track our progress and ensure that we are making continuous improvements towards these targets.

OUR VISION

Green Our Mother Earth & Empower Our Talent

OUR MISSION

- Digitalise our customer business, increase productivity, optimise resources & reduce wastages.
- To enable our customers to adopt renewable energy (Solar).
- Upskill talents through training.

OUR FOCUS AREA

Delivering Excellence

Creating value for our stakeholders while upholding transparency and accountability

Responsible Supply Chain

Ensuring ethical, social, and environmental standards are met throughout our supply chain

Empowering Our People and the Community

Fostering an inclusive and diverse culture, promoting employee wellness, and supporting local community

Caring for the Environment

Reducing carbon footprint and minimising environmental impacts of our operations

ECONOMIC PERFORMANCE

Anti-Corruption	Supply Chain Management	Employee Management	Waste Management
Cybersecurity & Data Protection		Diversity, Equity & Inclusion	Water Management
Customer Satisfaction		Community Investment	Energy & Fuel Efficiency
Product & Services Quality			
Technology, Innovation & Development			

In alignment to:

OUR BUSINESS PERFORMANCE

Ygl, a Malaysian-based technology company, delivers high-quality solutions and services that surpass customer expectations at competitive prices. We are committed to sustainable development goals and technological advancement across our divisions. We prioritise supporting local communities by employing locals and sourcing from reliable suppliers. Understanding evolving customer needs and maintaining a robust supply chain are crucial to our sustainable growth.

PRODUCT & SERVICE QUALITY

At Ygl, our commitment to product and service quality is paramount. We adhere to stringent quality control measures to ensure that our solutions not only meet but exceed customer expectations. Our team of experts continuously innovates and refines our offerings to align with the latest technological advancements and industry standards.

Key Aspects of Our Quality Commitment:

Maintaining Quality	Description
Rigorous	Testing and Validation: All products undergo comprehensive testing and validation processes to ensure reliability, efficiency, and durability. We employ advanced testing methodologies to identify and rectify any potential issues before they reach our customers.
Customer-Centric Approach	We prioritise understanding the unique needs and challenges of our customers. By maintaining close communication and feedback loops, we tailor our solutions to deliver maximum value and satisfaction.
Continuous Improvement	Ygl is dedicated to the principle of continuous improvement. We regularly review and enhance our processes, incorporating customer feedback and emerging industry trends to refine our products and services.
Skilled Workforce	Our team comprises highly skilled professionals who are experts in their respective fields. We invest in ongoing training and development to ensure they stay at the forefront of technological advancements and best practices.
Sustainable Practices	Quality at Ygl also means sustainability. **Modular Programming:** We employ modular programming techniques, ensuring that our source code is organised into discrete, manageable modules. This approach makes the codebase easier to understand, modify, and extend over time. Modular programming supports better error detection and troubleshooting, reducing the time and resources needed for maintenance. **Code Reusability:** Our development practices emphasise creating reusable code components, which reduces redundancy and the need for additional resources in future projects. This not only speeds up development but also minimises the environmental impact of excessive coding and server usage. **Optimised Algorithms:** By focusing on writing efficient algorithms, we ensure that our software runs smoothly and requires less computational power. This reduces energy consumption in data centers and lowers the carbon footprint associated with software usage.

PRODUCT & SERVICE QUALITY (CONT'D)

Key Aspects of Our Quality Commitment: (Cont'd)

Maintaining Quality	Description
Advanced Technologies	Leveraging cutting-edge technologies, we enhance the performance, security, and usability of our solutions. Our focus on innovation helps us deliver superior products that drive our customers' success.

By maintaining these high standards, Ygl ensures that our products and services consistently deliver exceptional quality, fostering long-term relationships with our customers and driving sustainable growth.

TECHNOLOGY, INNOVATION & DEVELOPMENT

Ygl is at the forefront of innovation and technological advancement, committed to driving efficiency and excellence across all operations. We recognise the transformative potential of emerging technologies and continuously seek opportunities to collaborate with our customers and suppliers. This collaborative approach ensures higher efficiency and transparency throughout our supply chain network, fostering stronger, more resilient partnerships.

Key Focus Areas:

Pioneering AI and IoT Integration:

- Artificial Intelligence (AI): Ygl leverages AI to develop intelligent modules that enhance decision-making processes, automate repetitive tasks, and provide predictive insights. By integrating AI into our solutions, we enable our customers to optimise operations, reduce costs, and improve service quality.

- Internet of Things (IoT): IoT technologies are instrumental in creating interconnected systems that streamline operations and improve real-time data visibility. Ygl's Smart Manufacturing solutions enable seamless communication between devices, enhancing monitoring, control, and automation capabilities.

Enhanced Efficiency and Transparency:

- Supply Chain Optimisation: Through the use of advanced technologies, Ygl enhances supply chain transparency and efficiency. Our solutions provide real-time insights into supply chain operations, enabling better tracking, inventory management, and demand forecasting.

- Blockchain Technology: To further ensure transparency and security, Ygl explores the use of blockchain technology in our supply chain processes, providing immutable records of transactions and enhancing trust among stakeholders.

Collaborative Innovation:

- Partnerships and Collaborations: Ygl values the synergy created through partnerships with customers and suppliers. By working closely with stakeholders, we co-create solutions that address specific challenges and drive mutual growth.

- Customer-Centric Development: Our innovation process is heavily influenced by customer feedback and market needs. This ensures that the solutions we develop are not only technologically advanced but also practical and highly relevant to our customers' needs.

Continuous R&D Investment:

- Research and Development (R&D): Ygl dedicates substantial resources to R&D, focusing on exploring new technologies and methodologies. Our R&D teams work tirelessly to push the boundaries of what's possible, ensuring that our solutions remain cutting-edge.

- Prototype and Testing: We adopt a rigorous approach to prototyping and testing, ensuring that new innovations meet our high standards before they are rolled out to customers.

TECHNOLOGY, INNOVATION & DEVELOPMENT (CONT'D)

Key Focus Areas: (Cont'd)

Sustainable Technology Solutions:

- Eco-Friendly Innovations: Ygl is committed to developing technologies that support sustainability. From energy-efficient solutions to eco-friendly materials, our innovations aim to reduce environmental impact while delivering high performance.

- Green Supply Chain Initiatives: We incorporate sustainable practices within our supply chain, ensuring that our operations contribute to a greener future.

Future-Ready Workforce:

- Skills Development: To keep pace with technological advancements, Ygl invests in the continuous learning and development of our workforce. Our employees are trained in the latest technologies, ensuring they are well-equipped to drive innovation.

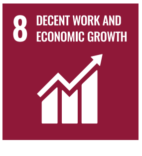
- Innovation Culture: We foster a culture of innovation within the organisation, encouraging employees to think creatively and contribute to our technological advancements.

By focusing on these areas, Ygl aims to lead in technology and innovation, delivering solutions that not only meet the current demands of the market but also anticipate future trends. Our commitment to excellence ensures that we remain a trusted partner for our customers, driving efficiency, transparency, and sustainable growth in the digital age.

MANAGEMENT APPROACH FOR MATERIAL MATTERS

ECONOMIC PERFORMANCE

Related UNSDGs



Why is this important?

Ygl's financial performance supports the creation of long-term value and the Group's sustainability agenda. We are mindful of our responsibilities to create decent employment opportunities and promote economic development within the local communities. Our ultimate goal is to ensure long-term resilience by leveraging our assets and sharing the generated wealth with our stakeholders.

Our approach

Ygl's approach to sustaining and achieving good economic performance is by executing our business strategy, which includes staying abreast with market trends, maintaining a healthy balance sheet and strong cash flow, pursuing technological advancement, mitigating identified risks relevant to our business as well as pursuing market expansion through diversification into new geographies.

Ygl recorded revenue of RM11.8 million in FY 2024, a decrease of 0.1% from the previous financial year. For more information on the economic performance, please refer to the Management Discussion & Analysis section in the Annual Report 2024 of the Company under pages 17 to 18.

ANTI-CORRUPTION

Related UNSDGs

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Why is this important?

Ygl upholds high standards of business ethics and compliance across the Group as a reflection of our core values are *Conscious Enterprise, Fulfilling Life, Harmonious Society, Sustainable World*. This is crucial for us to protect the interests of both the business and stakeholders while building trust and reinforcing confidence of our stakeholders in us.

Our approach

The Board and senior management remain committed to conducting business with integrity, guided by our Code of Conduct ("CoC"). The CoC communicates Ygl's fundamental principles and guidelines to all employees, including Directors in addressing ethical issues and carrying out their responsibilities. The Group's zero-tolerance stance against corruption is outlined in our Anti-Bribery and Corruption ("ABC") Policy, which is regularly reviewed to ensure alignment with the Malaysian Anti-Corruption Commission ("MACC") Act 2009.

Ygl has established a dedicated whistleblowing channel under the Whistleblowing Policy, which allows employees and external stakeholders to report improprieties confidentially through email, telephone, or mail. The Group has made our CoC and Whistleblowing Policy available on our corporate website and company intranet to ensure they are accessible to all stakeholders.

Anti-Corruption Indicator

Disclosure

Years of reporting	Disclosure
1st year	• Anti-corruption policies and programmes • Confirmed anti-corruption cases
2nd year	• Anti-corruption policies and programmes • Confirmed anti-corruption cases • Training on anti-corruption
3rd year	• Anti-corruption policies and programmes • Confirmed anti-corruption cases • Training on anti-corruption • Whistleblowing program • Trends and comparison

ENERGY & FUEL EFFICIENCY

Related UNSDGs

Why is this important?

Ygl focuses on the source and management of energy to reduce its own and supply chain GHG emissions, contributing to creating a low-carbon or even net-zero society. Monitoring and disclosing energy consumption, along with reporting GHG emissions, are integral parts of our strategy. This year, Ygl began reporting GHG emissions, aiming to reduce emissions by minimising energy consumption.

In 2023, Ygl commenced disclosing Scope 2 and Scope 3 GHG emissions, measuring emissions from office electricity consumption and consultants' travel in daily operations. The total greenhouse gas emissions for the year were 89.6 tCO_2e and 17.59 tCO_2e, respectively.

Ygl is dedicated to decreasing our GHG emissions as we explore various green strategies and initiatives within the Group.

Our approach will include

Expand Solar Power Capacity	• Increase the capacity of on-site solar power generation to reduce reliance on grid electricity.
Diversify Renewable Energy Sources	• Explore opportunities for incorporating other renewable energy sources, such as biomass and biogas, to diversify our renewable energy portfolio.
Implement Energy Storage Solutions	• Install energy storage solutions to store excess solar energy for use during peak demand periods.
Conduct Energy Audits	• Perform energy audits to identify additional opportunities for energy efficiency improvements.
Encourage Energy-Saving Practices	• Promote energy-saving practices among employees, such as turning off lights and equipment when not in use.
Install LED Lighting	• Replace inefficient fluorescent lights with LED lighting fixtures in common areas.
Upgrade HVAC Systems	• Improve energy efficiency by upgrading HVAC systems with variable speed drives.
Install Sensors	• Install occupancy sensors in meeting or toilet rooms to control lighting and HVAC when the rooms are unoccupied.

CYBERSECURITY & DATA PROTECTION

Related UNSDGs

Why is this important?

Ygl remains cautious and vigilant regarding the growing potential cybersecurity risks, especially as our customers are primarily Enterprise-SMEs. The acceleration of trends such as remote working, e-commerce, and automation has propelled the adoption of digital technologies and infrastructure. However, this has also increased data susceptibility to cybersecurity risks. Consequently, we have a responsibility to manage the growing threat of cyber-attacks on Ygl, including protecting our customers' sensitive information, to prevent any leaks, threats, or loss of customer data.

Our approach

The rapid adoption of digital technologies driven by trends such as remote working, e-commerce, and automation has significantly increased our exposure to cybersecurity threats. This digital transformation, while beneficial, has made data more vulnerable to cyber-attacks.

To address these challenges, Ygl is committed to implementing robust cybersecurity measures. We actively monitor and update our security protocols to safeguard our systems against unauthorized access, data breaches, and other cyber threats. Protecting our customers' sensitive information is paramount, and we take every precaution to prevent any leaks, threats, or loss of data.

Our comprehensive approach includes continuous risk assessment, employee training on cybersecurity best practices, and investment in advanced security technologies. By doing so, we aim to mitigate the risks associated with cyber threats and ensure the integrity, confidentiality, and availability of our data and that of our customers.

Ygl's dedication to cybersecurity and data protection reflects our commitment to maintaining the trust and confidence of our stakeholders while ensuring the security and resilience of our operations in an increasingly digital world.

Ygl quenches up growth in not only today's ICT but also the surrounding communities. In the sustainability report, numerous cybersecurity measures are being taken by Ygl to prevent these cyber-attacks.

This sustainability report has been formulated in line with the most widely validated sustainability reports globally, that is the Global Reporting Initiative Standard (GRI). This ensures that this report meets global reporting standards in terms of comprehensiveness, accuracy, transparency, and materiality, such that it serves its intended purpose of being an effective tool in the decision-making process of various stakeholders toward achieving long-term sustainable growth.

Organisations exert significant influence over the global economy and society and play a crucial role in fostering sustainable growth. Business activities have a direct impact on economic, environmental, and social ecosystems. Stakeholders, including consumers, clients, business partners, investors, employees, regulators, and non-governmental organisations, are increasingly interested in the ability of companies to understand and minimise this impact.

CYBERSECURITY & DATA PROTECTION (CONT'D)

Current Security Measures

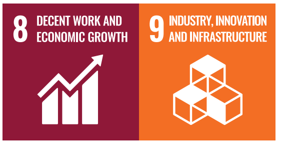
The server can only be accessed via hardware encrypted Virtual Private Network (VPN) in order to protect connections to our Software as a Service (SaaS) and internet service providers. An additional layer of security is provided by encrypting the organisation's authorised client devices, with authentication requiring the user to use public key authentication before log-in is approved. Assigning user roles and authorisations are applied in processing and system operation to ensure timely prevention of information security breaches via malicious software usage and data abuse. System logs and security tracking tools are used to keep all employees, especially the security team, informed in order to facilitate investigation of the individuals prompting security violations. Security tools used include a security information and event management (SIEM) solution as well as security analytics, big data analytics, and business monitoring tools. Cybersecurity threats and warning intelligence services from vendors and authorities are utilised to keep abreast with emerging risks and issues. Employees can access an information booklet on personal data protection details via our intranet, which also features topics on cloud security.

Complaints received by companies

No.	Complaint received related to	From	No.
1.	Attacked by ransomware	Customers	2
	Total number of complaints received		**2**

CUSTOMER SATISFACTION

Related UNSDGs



Why is this important?

Customer satisfaction and loyalty are vital for achieving long-term success and maintaining our reputation as a leading developer and service provider. Recognising this, we prioritise enhancing customer satisfaction by actively considering their feedback and ensuring high-quality standards across all our products and services.

Our approach

	Description
Building Long-Term Relationships	• We focus on long-term growth through strong customer relationships and satisfaction from existing customers while expanding our new customer base. • Our Support Centre plays a crucial role in gaining the trust and confidence of our customers, especially those operating in critical industries with high-quality standards.
Multi-Faceted Customer Engagement	• We enhance customer experience by engaging through various channels, including program leaders for both existing and new customers, serving as a central point of contact for product or program issues. • These efforts provide valuable insights into our customers' needs and expectations, allowing us to continually improve our products and services.

CUSTOMER SATISFACTION (CONT'D)

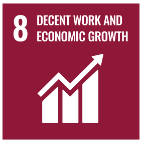
Our approach

	Description
Comprehensive Customer Support	• We offer robust customer support platforms, such as our hotline and live chat, enabling customers to lodge feedback or complaints easily. • Upon identifying areas for improvement, we discuss potential solutions and task our internal team with addressing the underlying causes of dissatisfaction.
Customer-Centric Culture	• We have enhanced our customer-centric culture and complaint handling procedures through periodic employee training, ensuring timely and effective resolution of complaints. • Our commitment to high-quality standards and continuous improvement drives us to consistently meet and exceed customer expectations.

By maintaining a strong focus on customer satisfaction, we aim to foster loyalty and drive long-term success, solidifying our position as a trusted leader in the market.

EMPLOYEE MANAGEMENT

Related UNSDGs



Why is this important?

At Ygl, we believe our employees are our most valuable assets and the driving force behind our success and growth. We are committed to recruiting, developing, and retaining high-performing employees while providing a work environment that is both conducive and empowering. Additionally, we invest significantly in development programs to ensure our employees remain competitive, progressive, and future-ready.

Our approach

Ygl adheres to local labour and employment-related laws in all our human resources practices and management.

Talent Acquisition and Onboarding

Talent attraction and recruitment are vital to building a strong and sustainable talent pipeline for the future. At Ygl, we follow our Recruitment Policy and Procedures to ensure individuals are hired based on merit: skills, experience, and credibility for the role-while also aligning with our values, culture, and vision. Effective talent attraction and recruitment, free from bias and prejudice, help build a strong employer brand to attract top talent. A positive reputation, in turn, can increase customer loyalty and improve organisational performance.

Upskilling and Reskilling

Our objective is to foster a skilled, resilient, and agile workforce that can thrive in an ever-changing market landscape amidst technological advances and emerging trends. To address skill gaps and help our employees achieve their career development goals, we regularly assess their training needs through a training needs analysis for each employee and review our existing training initiatives for continued relevance.

EMPLOYEE MANAGEMENT (CONT'D)

In FY 2024, we remain committed to investing in training and development programs, utilising both physical and online channels. Our training and development programs include:

- Machine Learning & Artificial Intelligence
- Advanced Microservices Architecture
- Data Analytics (Power BI)
- Corporate induction for management, executives, and non-executives
- Leadership development programs for middle and senior management levels
- Upskilling programs on technical courses related to job functions
- Webinars from subject-matter experts and industry leaders
- Capacity building via professional certification
- Curated in-house programs on IT, soft skills, and emotional intelligence
- Continuous learning programs through our on-demand e-learning platform
- Performance Management and Compensation

At Ygl, we firmly adhere to principles of being result-driven, accountable, collaborative, and sharing success to drive individual and team performance. To promote a high-performance culture, we have implemented a systematic performance review process and measurement system, which includes employees' Key Performance Indicators (KPIs). At the beginning of each year, we initiate expectation-setting conversations and conduct year-end performance reviews for all employees, providing them with opportunities to self-assess, give feedback, engage in competency discussions, and receive necessary coaching and support.

We recognise and celebrate achievements when employees demonstrate exceptional performance within their peer group, deliver high-quality results, and display outstanding behavior through bonuses and promotions. We aim to create a motivating and encouraging environment by offering competitive benefits and compensation packages that attract and retain top talent.

The following are amongst the benefits provided to our employees:

Leave

- Annual leave, sick or hospitalisation leave, marriage leave, maternity and paternity leave, compassionate leave and unpaid leave

Medical

- Insurance coverage, medical coverage

Flexi-work arrangement

- Staggered working hours, flexi-time, work from home

Others

- Mobile phone allowances, travelling allowances

EMPLOYEE MANAGEMENT (CONT'D)

Employee engagement initiatives

We highly value employee feedback and thus, we conduct an annual Employee Engagement Survey to gain insights into our employee's experiences and expectations, as well as to understand their needs and concerns.

We also undertake various employee engagement initiatives to improve camaraderie and address employee concerns. Amongst employee engagements conducted in FY 2024 are as follows:

1. Annual Retreat
2. Festive celebrations throughout the year
3. Family Day event
4. Sport Tournaments such as Badminton Friendly Match

We are considering the Employee appreciation programmes such as long service awards soon.

A friendly match between Ygl and UB companies.

Our performance

Employee training hours

In FY 2024, we spent 194 hours on training for programmers and consultants, investing RM34,000 in external learning and development programmes.

Item	Description	No. of Hour	No. of Pax	Total RM
1	Machine Learning & Artificial Intelligence	64	7	14,000.00
2	Advanced Microservices Architecture	64	4	8,000.00
3	Data Analytics (Power Business Intelligence)	66	6	12,000.00
	Net Total			34,000.00

DIVERSITY, EQUITY & INCLUSION

Related UNSDGs

Why is this important?

Diversity and inclusivity at work give us a competitive edge through accumulation of, and ability to tap into a wide range of knowledge, perspectives, and ideas. In line with this, we strive to promote equal employment opportunities and non-discrimination, by actively encouraging diversity of gender, race, religion, age and nationality.

Our approach

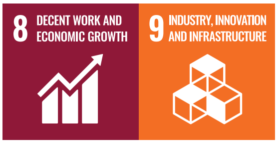
We achieve equity through policies and actions that are underpinned by both fairness and inclusiveness. We promote a culture that respects and values differences, advocates for equality, and encourages growth and development to help individuals reach their full potential.

We are dedicated to maintaining fair employment practices, and consistently reviewing our recruitment process to ensure equality from the beginning, in alignment with our Recruitment Policy and procedures. Additionally, we also recruit and retain employees with disabilities, ensuring their distinctive needs are met by providing support in the form of designated parking spots and lift services to enhance their accessibility and inclusion within the workplace.

At Ygl, employees receive competitive wages that are free from any form of gender discrimination. All decisions regarding career advancement, recognition, and rewards are approached in a fair and unbiased manner, strictly based on employees' performance and merit.

SUPPLY CHAIN MANAGEMENT

Related UNSDGs



Why is this important?

Ygl is dedicated to promoting responsible procurement practices and enhancing our supply chain resilience by incorporating sustainability elements throughout our procurement lifecycle. We firmly believe in supporting local businesses and driving economic growth in the communities where we operate. To achieve this, we prioritise sourcing from local suppliers and providing business opportunities to small and medium enterprises ("SMEs") companies, improving their livelihoods. We ensure that our sustainability expectations pertaining to procurement practices are extended to our suppliers, which include service providers and consultants.

Our approach

Ygl appreciates the importance of sustainability and supports the integration of social, environmental, and economic performance in its supply chain management. Ygl's core objective is to increase the value of the Company by offering customers the highest quality products and services that are environmentally friendly, while providing exceptional service. These qualities mean Ygl must have a strong supply chain network. We are committed to working with suppliers who not only meet our supply, delivery, quality, and compliance requirements, but are also committed to safe and supportive workplaces free of human rights issues, are ethical in all their business dealings, and are committed to reducing the environmental impacts of their products.

SUPPLY CHAIN MANAGEMENT (CONT'D)

Key Sustainability Programs and Strategies

Ygl does not condone child labour, forced labour, or any form of human trafficking. Other than compliance with all local and international laws, Ygl's' policy prohibits its companies from operating in an unethical manner. The Group will ensure that our purchasing requirements are clear and understood. Specific products for the use of any exploitation or abuse will be avoided. The Group will collaborate with the suppliers to ensure they comply with the contractor as well as monitor the suppliers. The Group will uphold a respectful and ethical relationship with the supplier. The Group believes the relationship should be based on mutual trust and reflective of the benefits available. Collaboration should result in a more significant total value. The Group understands the importance of suppliers and vendors to provide innovative and high-quality services so that the Group can keep the safe and effective service to the customers. High product quality, safe products, and the timely movement of goods and services are the expectations and subject to internal management.

Ygl stands strong on the principle of responsible business, striving to achieve business success in ways that reflect the Company's belief in the development and protection of communities and the natural environment. Our group of companies is dedicated to fulfilling social responsibility, and our commitment is deeply anchored in our vision, mission, corporate values, and code of business conduct. Ygl's code of conduct complies with the social responsibility requirements through the entire supply chain framework that our policy spans. This is a core aspect of our Company's values and is fundamental in all business principles and operations, affecting not only Company's performance but also having a profound impact on the employees, customers, stockholders, and suppliers we engage.

Impact of Ygl's Industry 4.0 Solutions on Supply Chain Sustainability

Ygl solutions need to offer more capability on an analytic platform to offer effective supply chain optimisation, emissions applications, and closed-loop designs that are beneficial to clients and partners. Our solutions need to provide a fair and transparent method for making informed decisions. Industry Technology 4.0 builds on existing manufacturing technologies, and potential subsequent solutions might be the reduction of waste, adjusting the real lines in real time, and transforming the data into information and insights. We wish that the Sustainability Report on Supply Chain Management for Ygl and its stakeholders can be a starting point with simple, clear, concise, consistent, and credible key environmental and sustainability metrics which help measure whether Ygl is on the right road towards improving our social, economic, and environmental performance. Improved performance information has the potential to bring practical benefits to companies. We might also consider extending our innovation network to include partners because sustainable improvement, which can take many years, also involves the development of long-term capabilities such as regulatory intervention, which sometimes imposes costly obligations on businesses that themselves are excluded from the information society.

We believe that the importance of Ygl as a solution provider is not only in increasing the overall effectiveness and efficiency, but also in integrating sustainability into the supply chain. We shall achieve this by first transforming the physical supply chains into digital platforms. The application of IoT is a good starting point in order to derive effective solutions that can reduce waste and environmental impacts. We hope that Ygl can be a leader in innovation and creativity in fostering sustainability by integrating Industry 4.0 into supply chains to increase supply chain visibility, and to enhance the management of resources and logistics in responding to the environmental challenges of resource depletion, carbon emissions, waste reduction, and recycling. Small and single-use mobile devices like "barcodes", "RFID", and for more complex devices like condition-based sensors and GPSs can provide real-time state of the physical objects and offer environmental data for stakeholders to include, analyse, and monitor supply chain operations and environmental impacts with well-developed and proven algorithms.

WASTE MANAGEMENT

Related UNSDGs

Why is this important?

At Ygl, we prioritise proper waste management to reduce our environmental impact and benefit the surrounding communities, particularly in relation to our business operations. We generate different types of waste, including hazardous waste categorised as scheduled waste, as well as non-hazardous waste such as domestic waste and recyclable materials. Improper waste management can have far-reaching consequences, including detrimental effects on air and water quality and the surrounding communities where we operate. Recognising the severity of these potential impacts, it is imperative that we implement proactive measures to ensure responsible waste management practices across all our operations.

Our approach

In adhering to environmental regulations regarding waste management, including scheduled waste, we are guided by local regulatory laws and jurisdictional guidance. Our Malaysian entities refer to guidelines set under the Environment Quality (Scheduled Wastes) (Amendment) Regulations 2007 and the Electronic Scheduled Waste Information System by the Department of Environment.

By following these guidelines, we ensure that all hazardous and non-hazardous waste is managed responsibly. This includes proper segregation, storage, transportation, and disposal of waste, as well as partnering with certified waste management vendors to handle and recycle waste in compliance with legal requirements.

We continuously monitor and assess our waste management practices to identify areas for improvement and to ensure compliance with the latest environmental regulations. Additionally, we engage in regular training and awareness programs for our employees to foster a culture of environmental responsibility and to promote best practices in waste management.

Through these efforts, Ygl is committed to minimising the environmental impact of our operations and contributing to the sustainability of the communities in which we operate.

Current Waste Management Practices at Ygl

Pre-management typically involves sorting this waste for recycling. Generally, it is common for office waste to be taken to the central sorting area and placed with other general waste from the building. Newspaper, cardboard, and white paper collected at the Company's central sorting facility are sent for recycling. This report aims to identify alternative practices, possible improvements, and solutions to existing problems in the Company's current waste management practices.

The primary waste generated at Ygl is typical of an office environment and includes paper, paper products, used toner cartridges, food waste, plastic, beverage containers, aluminum cans, printer paper, cardboard, small electronic waste, and fluorescent tubes.

WASTE MANAGEMENT (CONT'D)

Most of the waste produced are general waste at our office buildings. We have established initiatives to increase awareness among our employees in efforts to reduce waste such as:

Segregation of non-recyclable and recyclable waste	E-waste recycling campaign	Advocating paperless documents by going digital

We promote waste reduction and recycling among employees by encouraging them to reuse items such as paper, plastics, and aluminum, and providing bins for the segregation of different types of waste. Recyclable waste is processed at recycling centers, while non-recyclable waste is sent to landfills. Moving forward, Ygl aims to reduce the amount of waste sent to landfills by exploring circular economy principles and implementing innovating solutions for waste management.

COMMUNITY INVESTMENT

Related UNSDGs	Why is this important?
4 QUALITY EDUCATION	We firmly believe that fostering a positive relationship between businesses and communities promotes better social inclusion and creates tangible and favorable outcomes in the long run. At Ygl, we strive to be a responsible corporate citizen by giving back to the surrounding communities in which we operate through our community engagement and impact programs, with a focus on education and social welfare. Through these efforts, we aim to create a lasting positive impact that benefits both the community and our organisation, fostering a sustainable and inclusive future.

Our approach

Ygl has also contributed monetary and non-monetary donations to charities, non-profit organisations ("NGO"), Non-monetary donations include but are not limited to food packs, necessities and groceries.

We have initiated 'Circle of Love' exercise objective is to encourage our employees and customers to give our hands and show our love to the society.

We believe that the spirit of volunteerism among employees is vital in contributing to the success of Ygl's community impact programmes.

Ygl's collective CSR Efforts:
Donations to Penang charities

WATER MANAGEMENT

Related UNSDGs

6 CLEAN WATER AND SANITATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Why is this important?

The issue of water scarcity is becoming increasingly alarming due to several factors, such as climate change, poor water management, and contamination. As water cuts and scarcity are becoming more frequent, Ygl is committed to mitigating the risk of water shortages through efficient water management across our operations.

Our approach

At Ygl, we recognise the importance of sustainable water management in our operations and are committed to minimising our environmental impact. Our office features a fish pond that embodies our dedication to efficient water use. The water in the pond is recycled, and we change only one-third of the water every two months. This practice significantly reduces water consumption while maintaining a healthy environment for the fish.

Our garden is another example of our sustainable water management efforts. It relies entirely on rainwater, and we do not use tap water for irrigation. By depending on natural rainfall, we conserve potable water and reduce our overall water footprint.

We are continually exploring new possibilities and options to enhance our water management practices.

Our ongoing efforts include:

We are exploring water-efficient technology to further reduce water consumption and improve efficiency.

Employee Awareness: Promoting water conservation among employees through awareness programs and encouraging responsible water use in the workplace.

Regular Assessments: Conducting regular assessments of our water management practices to identify areas for improvement and to ensure compliance with environmental regulations.

By prioritising sustainable water management, Ygl aims to reduce our environmental impact and contribute to the conservation of this vital resource. Our commitment to efficient water uses not only supports the health of our local ecosystem but also reflects our broader dedication to sustainability and responsible corporate citizenship.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("Board") is pleased to present the Audit and Risk Management Committee ("ARMC") Report which provides insights into the manner in which the ARMC discharged its functions for the Group for the financial year ended 31 March 2024 ("FYE2024").

INTRODUCTION

The ARMC was established by the Board of the Company on 1 June 2005 to assist the Board in discharging its statutory duties and responsibilities relating to accounting and financial reporting practices of the Company and its subsidiaries, monitoring the management of risk and system of internal control, external and internal audit process, compliance with legal and regulatory matters and such other matters that may be specifically delegated to the ARMC by the Board.

COMPOSITION

The composition of the ARMC comprises of three (3) members of the Board, all of whom are Independent Non-Executive Directors, as follows: -

Chairman	-	Wong Khai Meng *(Independent Non-Executive Director)*	
Members	-	i)	Muhamed Ali Bin Hajah Mydin *(Independent Non-Executive Director)*
		ii)	Wan Chia Keong *(Independent Non-Executive Director)*

The above composition of ARMC fulfilled the requirements of Rule 15.09 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("AMLR") and Step-Up Practice 9.4 of the latest Malaysian Code on Corporate Governance ("MCCG"), in achieving good corporate governance by having an Audit Committee solely composed of Independent Directors. None of the ARMC members is an Alternate Director.

The Chairman of the ARMC, Mr. Wong Khai Meng is not the Chairman of the Board, which is in line with Practice 9.1 of the MCCG. Mr. Wong is a member of the Malaysian Institute of Accountants ("MIA"). As such, the composition of ARMC meets the requirements of Rule 15.09(1)(c) of AMLR, which stipulates that at least one member of the ARMC must be a member of MIA.

The Nominating Committee ("NC") had on 28 May 2024 reviewed the terms of office of the ARMC and assessed their performance for FYE2024. The NC was satisfied that the ARMC and its members had discharged their functions, duties and responsibilities in accordance with the TOR of the ARMC in supporting the Board to ensure that Ygl Group upholds appropriate Corporate Governance standards.

ROLES AND RESPONSIBILITIES

The ARMC operates under its Terms of Reference ("TOR"), which outlines its authority, duties, and functions. The TOR is periodically assessed, reviewed and updated by the ARMC members to align with changes in regulatory requirements, direction or strategies of the Company. Any recommended changes are subject to the Board approval.

The TOR of the ARMC is accessible on the Company's website: https://yglworld.com.

ARMC has been entrusted by the Board with the governance and oversight responsibilities pertaining to internal control and risk management systems, as well as ensuring the integrity of financial reporting within the Group. Additionally, the ARMC is tasked with overseeing the Group's internal audit ("IA") function, managing the relationship with the Group's External Auditor and reporting on its activities to shareholders.

The ARMC closely monitors the status of preventive and corrective actions for issues to ensure effective follow-up and resolution.

The system of internal control therefore provides only reasonable, not absolute, assurance against material misstatement or loss and provides reasonable assurance that potential issues can be identified promptly, and appropriate remedial action taken.

MEETINGS

The ARMC has held five (5) ARMC meetings during FYE2024 with full attendance. The details of attendance of the ARMC members are as follows: -

Members	Attended	%
Wong Khai Meng	5/5	100
Muhamed Ali Bin Hajah Mydin	5/5	100
Wan Chia Keong	5/5	100

The ARMC met quarterly and as required. The dates of the quarterly meetings were preset prior to FYE2024. The meetings were of adequate length to allow the ARMC to accomplish its agenda with sufficient time to discuss emerging issues.

For all meetings, the notice and agenda together with the papers and relevant reports were distributed to members prior to each meeting to enable members to prepare for the meeting. The Company Secretaries are also the Secretaries of the ARMC. Minutes of each ARMC meeting were recorded and tabled for confirmation at the following ARMC meeting.

The Chairman of ARMC verbally briefed the Board on the proceedings of the ARMC meeting at the Board meetings held subsequently to the ARMC meetings.

The Chief Executive Officer and Executive Director were invited to attend the ARMC meetings. The external auditors are also invited to attend ARMC meetings to present their plan, audit findings and to assist the ARMC in its review of the year-end financial statements. The representatives of the internal auditors were invited to the ARMC meetings to table the IA reports covered under the approved IA plan for FYE2024.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITES DURING THE FINANCIAL YEAR

The ARMC carried out the following activities during FYE2024: -

1. **Financial Reporting**

- Reviewed the quarterly financial reports which were prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting and Appendix 9B of the AMLR at its meetings held on 25 May 2023, 17 July 2023, 28 August 2023, 23 November 2023, and 23 February 2024 before recommending the same to the Board for consideration and approval.

- Reviewed the annual audited financial statements of the Company and the Group for the financial year ended 31 March 2023 and provide a true and fair view of the financial position of the Group, prior to submission to the Board of Directors for consideration and approval.

- Reviewed and deliberated on the audit issues raised by the external auditors and the action plans required to address those issues.

2. **External Audit**

- Reviewed and discussed with the external auditors of their audit planning memorandum, audit approach and reporting requirements for FYE2024 prior to the commencement of audit work.

- Reviewed and discussed the observations, recommendations and the Management's comments in respect of the issues raised by the external auditors on their evaluation of the system of internal controls.

- Met with the external auditors without the presence of the Management on 17 July 2023 and 23 February 2024 to discuss issues of concern to the external auditors arising from the annual statutory audit.

- Reviewed the performance of the external auditors for the financial year under review, audit governance and independence, and external auditors' audit fees. The Group's external auditors also confirmed their independence. The ARMC, having been satisfied with the independence, stability, and performance of the external auditors, made recommendations to the Board for approval of the external auditors' re-appointment.

3. **Internal Audit**

- Reviewed and approved the IA plan for FYE2024 to ensure adequate scope and coverage of the Group's activities based on identified and assessed key risk areas.

- Reviewed the IA reports prepared by the internal auditors on the strengths and weaknesses of the internal controls in the Group and the Company and followed up on the improvements recommended by the internal auditors. During the ARMC meeting, discussed significant reported matters with Management together with the internal auditors to reaffirm a common understanding of the issues and Management's commitment to improve.

- Met with the internal auditors without the presence of Management on 28 August 2023 and 23 November 2023 to ensure there was no restriction on internal auditor's scope of work and to discuss any other matters that internal auditors wish to escalate to the ARMC.

- Evaluated the effectiveness and independence of the IA function in carrying out its responsibilities regarding risk management, internal control, and governance. Overall, the ARMC was satisfied with the performance of the internal auditors function for FYE2024.

SUMMARY OF ACTIVITES DURING THE FINANCIAL YEAR (Cont'd)

The ARMC carried out the following activities during FYE2024: - (Cont'd)

4. Internal Control and Risk Management

- Reviewed the adequacy and effectiveness of risk management and internal control system instituted within the Group and recommended to the Board for approval, the steps to improve the Company's internal control systems derived from the findings of the internal and external auditors.

5. Related Party Transactions

- Reviewed the related party transactions of a recurring nature, which was reported quarterly and to ensure that the related party transactions were carried out on normal commercial terms and not prejudicial to the interests of the Group or its minority shareholders.

6. Corporate Governance

- Reviewed and confirmed the minutes of the ARMC meetings;
- Reviewed the impact of the relevant regulatory changes and ensured compliance by the Company and the Group; and
- Reviewed and recommended the Statement of Risk Management and Internal Control and ARMC Report for inclusion in the Annual Report to ensure the contents therein were accurate and in compliance with the AMLR to the Board for approval.

INTERNAL AUDIT FUNCTION

The Group has outsourced the IA functions to Messrs. Tan & Loh. The IA function is independent of the auditable area in the organisation and reports to the ARMC. The responsibilities include reviewing the adequacy of the internal controls system and evaluating the various financial and operational risks faced by the organisation.

During FYE2024, the internal auditors conducted two cycles of IA relating to the implementation of internal controls by the Group and the Company and provided reasonable assurance that the operations of the business were carried out under adequate internal controls and compliance with company policies and operational procedures. The internal control weaknesses identified were reported to the ARMC and the Management was required to undertake adequate measures to address the operational weaknesses

The activities carried out by the IA team for FYE2024 included the following: -

1. Risk management review;
2. Reviewing the adequacy of accounting and financial controls;
3. Reviewing the application of operational procedures;;
4. Reviewing compliance with established company policies;
5. Ascertaining the extent of compliance with operational procedures; and
6. Recommending improvements to the existing internal control proceduress.

The total cost incurred by the Group for the IA functions in respect of FYE2024 amounted to approximately RM15,052.

This statement is made in accordance with the resolution of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Ygl Convergence Berhad ("Ygl" or "the Company") is pleased to present this Corporate Governance Overview Statement (the "Statement") to provide shareholders and investors with an overview of the corporate governance ("CG") practices of the Company under the stewardship of the Board during the financial year ended 31 March 2024 ("FYE2024") to be in line with the Company's Constitution, Malaysian Code on Corporate Governance ("MCCG"), where possible, and the applicable laws to be a dynamic framework within which the Company would conduct its business.

This Statement is to be read in conjunction with the CG Report for FYE2024. The CG Report details the application of each Practice as set out in the MCCG, which is published on the Company's website at https://www.yglworld.com/ and Bursa Malaysia Securities Berhad's website at https://www.bursamalaysia.com/.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is aware of its responsibilities to the Company in charting future corporate direction, creating long term value, achieving sustainable growth, discharging its social responsibilities, safeguarding the interests of its shareholders and stakeholders in addition to optimising the Group's resources.

Besides determining the strategic objectives and policies of the Company to deliver long term value and sustainable success, the Board leads the Group and plays a vital overseeing and monitoring role over the activities and performance of the Management in promoting long term growth and achieving short term corporate objectives.

The position of Chairman has been vacant as the Board is still looking for a high caliber character to assume the oversight role. The Board deals with the Chief Executive Officer ("CEO") whose focus is on day-to-day operation of the business. Corporate decisions are made collectively by the Board.

The Board should model the way of high CG practices by focusing on strategy, governance and compliance. During FYE2024, the Independent Non-Executive Directors ("INEDs") had always been informed of the progress and status of the Company. The INEDs could have their own sessions to discuss with the Company Secretaries, internal and external auditors or any relevant persons and to form their opinion to present to the Board on the whole. Their input on any matters was taken seriously by the Board who would commission any actions to address any issues raised.

There is a clear division of responsibilities between the Executive Directors ("EDs") and INEDs of the Board. The EDs are responsible for the implementation of the Board's decisions and policies, overseeing of day-to-day management and coordination of business and strategic decisions. The INEDs play a significant role in bringing objectivity and scrutiny to the Board's deliberations and decision making.

The EDs, Mr. Yeap Kong Chean and Madam Tan Hoay Leng, who primarily are responsible for the implementation of the Board's policies and decision and keep the Board informed of the overall operations of the Group. The presence of the INEDs, are of sufficient caliber and experience to bring objectivity, balance and independent judgments to the Board's decision.

In addition to statutory and fiduciary duties, the Board leads in decision making and retains ultimate control in determining the Group's strategies and policies over business directions and development.

The principal focus of the Board includes the following:
- steering business directions;
- reviewing and adopting strategic plans for the Group;
- overseeing the Group's business operations and financial performance;
- approval of annual and quarterly results, budgets and long term business plans;
- identifying major risks and the implementation of appropriate risk management and mitigation measures;
- reviewing the adequacy and integrity of the Group's internal control system;
- reviewing action plans implemented by the Management to achieve targets; and
- ensuring compliance with applicable laws, rules and regulations.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. Board Responsibilities (Cont'd)

There were five (5) Board of Directors Meeting held during FYE2024 and the details of Directors' attendance of the Board Meeting are as follows:

Directors	Attendance at Meeting	%
Yeap Kong Chean	5/5	100
Tan Hoay Leng	5/5	100
Wong Khai Meng	5/5	100
Muhamed Ali Bin Hajah Mydin	5/5	100
Wan Chia Keong	5/5	100

Directors' Training

The Directors are mindful that they should receive appropriate continuous training to further enhance their skills and knowledge.

The training programmes, conferences and forums attended by the existing Directors during the financial year under review to broaden their perspectives and to keep abreast with the changes on the guidelines issued by the relevant authorities as well as the latest developments in the market place, were as follows: -

Yeap Kong Chean

Title of Seminar/Workshop/Courses	Mode of Training	No. of Hours / Days Spent
FMM Energy Efficiency & Conservation Conference 2023: Energy Efficiency & Renewable Energy Opportunities for Industries	Seminar	8 hours
Hasil-CTIM Tax Forum 2023	Webinar	8 hours
Special Voluntary Disclosure Programme (SVDP) 2.0	Webinar	8 hours
CTIM e-Invoicing	Webinar	2 hours
Essential Tax Updates in 2023	Webinar	8 hours
Seminar Percukaian Kebangsaan 2023	Seminar	8 hours

Tan Hoay Leng

Title of Seminar/Workshop/Courses	Mode of Training	No. of Hours / Days Spent
How to Present Your Company's Case Successfully at the Industrial Relations Department and at Industrial Court	Workshop	8 hours
Seminar Percukaian Kebangsaan 2023	Seminar	8 hours
2024 Budget Seminar	Seminar	8 hours

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. Board Responsibilities (Cont'd)

Directors' Training (Cont'd)

Wong Khai Meng

Title of Seminar/Workshop/Courses	Mode of Training	No. of Hours / Days Spent
Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Webinar	16 hours
Financial Modelling for Forecasting, Budgeting & Financial Statements in Excel	Webinar	14 hours
Integrating Environmental, Social and Governance (ESG) into Organisational Financial Reporting Framework	Webinar	7 hours
Financial Analysis as Strategic and Operational Management Tool	Webinar	7 hours

Muhamed Ali Bin Hajah Mydin

Title of Seminar/Workshop/Courses	Mode of Training	No. of Hours / Days Spent
Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Webinar	16 hours

Wan Chia Keong

Title of Seminar/Workshop/Courses	Mode of Training	No. of Hours / Days Spent
Navigating e-Invoice Compliance: Enhancing Daily Accounting and Operations	Webinar	8 hours

Board Charter

The Board has adopted a charter to provide the terms of reference for its members in relation to their roles and responsibilities, division of responsibilities among the Board as a whole, the individual Executive and INEDs. The Board Charter is subject to review periodically so as to ensure alignment of the Board's strategic commitment with the relevant principles of CG. The Board Charter was last reviewed and approved by the Board on 27 May 2022. The Board Charter is available on the Company's website.

Code of Conduct

The Code of Conduct and Ethics for Directors defines the mindset and behaviour which are desirable of Directors to ensure that good standard of behaviour throughout the Company and prevention of misconduct and unethical conduct.

The details of the Code of Ethics and Conduct are available for reference on the Company's website.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. Board Responsibilities (Cont'd)

Whistleblowing Policy

The Whistleblowing Policy provides guidelines on procedures and protection for its Directors and employees in the event of reporting any wrongdoing within the Group as well as protecting the interests of the Company.

The details of the Whistleblowing Policy are available for reference on the Company's website.

Anti-Bribery and Corruption Policy

The Company has put in place the Anti-Bribery and Corruption Policy in compliance with the requirement of S17A of the Malaysian Anti-Corruption Commission Act 2009 which stipulates the guidelines and procedures for all Directors and employees to prevent bribery and corrupt acts as well as safeguard the integrity of the Company.

The details of the Anti-Bribery and Corruption Policy are available for reference on the Company's website.

The Company Secretaries

The Board is supported by two (2) suitably qualified and experienced Company Secretaries in discharging its duties and responsibilities.

In performing their duties, the Company Secretaries carry out, amongst others, the following tasks: -

- Undertaking statutory duties as required under the Companies Act 2016, ACE Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Listing Requirements"), Capital Market and Services Act, 2007;
- Facilitating and attending Board Meetings and Board Committee Meetings, respectively;
- Facilitating and attending the General Meeting(s);
- Ensuring that Board Meetings and Board Committee Meetings respectively are properly convened and the proceedings are properly recorded;
- Ensuring timely communication of the Board level decisions to the Management for further action;
- Ensuring that all appointments to the Board and/or Board Committees are properly made in accordance with the relevant regulations and/or legislations;
- Maintaining records for the purpose of meeting statutory obligations of applicable jurisdictions;
- Facilitating the provision of information as may be requested by the Directors from time to time in a timely manner and ensuring adherence to Board policies and procedures;
- Assisting the Company on the lodgements of documents with relevant statutory and regulatory bodies;
- Facilitating the conduct of the assessments to be undertaken by the Board and/or Board Committees as well as to compile the results of the assessments for the Board and/or Board Committee's notation;
- Assisting the Board with the preparation of announcements for release to Bursa Malaysia Securities Berhad ("Bursa Securities") and Securities Commission Malaysia; and
- Rendering advice and support to the Board and Management.

The Board is updated and kept informed by the Company Secretaries of requirements such as restriction in dealing with the securities of the Company during closed periods and updates on the latest developments in legislations and regulatory framework affecting the Group. All members of the Board, whether as a whole or in their individual capacity, have access to the advice and services of the Company Secretaries on all matters relating to the Group to assist them in the furtherance of their duties.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. Board Responsibilities (Cont'd)

Access to information, advice and meeting materials

The Board is provided with notice of meetings that set out the agenda, which include relevant Board papers prior to board meetings to give them sufficient information and time to deliberate on issues to be raised at meetings.

The proceedings at all Board meetings are duly minuted. The Minutes of these proceedings are kept at the registered office of the Company.

All Directors have direct access to the advice and services of the Company Secretaries and senior management in carrying out their duties. The Directors may obtain independent professional advice in the event such services are required.

The Board has unrestricted access to any information from all staff pertaining to the Group's affairs. In addition, the Board may obtain external professional advice for independent opinions as and when the circumstances require, at the Company's expense.

At the meetings, the Board reviewed the Group's financial performance, business operations, report of the committees and relevant matters.

In the event any Director is unable to physically attend the board meetings, the Company's Constitution allows for such meeting to be conducted via video conference, telephone or any other form of electronic communication

II. Board Composition

Currently, the Board consists of five (5) Directors, comprising two (2) EDs and three (3) INEDs. A brief profile of each Director is set out in this Annual Report.

Even though collectively the composition equipped the Board with a mix of industry-specific knowledge and broad business, financial, regulatory and technical experience, it was not a truly diverse Board in terms of age, ethnicity, thoughts and perspective.

The Company does not practice any form of gender, ethnicity and age group biasness as all candidates for either Board or Senior Management team shall be given fair and equal treatment. The Board believes there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and to nurture diversity within the Group.

Notwithstanding the above, the Board affirms its commitment to boardroom diversity as a truly diversifies board can enhance the board's effectiveness, perspective, creativity and capacity to thrive in good times and to weather the tough times.

In identifying suitable candidates for appointment to the Board, the Nominating Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

As the Company operates in the highly evolving information technology sector, the thoughts and perspective of a younger generation may provide the Company with a boost of new concepts and approaches. The woman representation on the Board is 20% with one woman ED.

Based on the review of the Board composition in FYE2024, the Board is of the view that the current Board size is appropriate and facilitate effective decision-making, taking into consideration of the scope and nature of the group's operation.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. Board Composition (Cont'd)

In discharging its fiduciary duties, the Board has delegated specific responsibilities to the following three (3) Board Committees, which operate within the approved Terms of Reference ("TOR"). Notwithstanding the above, all Board Committees do not have executive powers but only the power to make recommendations to the Board. The ultimate responsibility for the final decision lies with the entire Board. These committees are:

- Audit and Risk Management Committee ("ARMC");
- Nominating Committee ("NC"); and
- Remuneration Committee ("RC").

The NC currently comprises all Independent NEDs as follows: -

Chairman
En. Muhamed Ali Bin Hajah Mydin *(Independent NED)*

Committee Members
Mr. Wong Khai Meng *(Independent NED)*
Mr. Wan Chia Keong *(Independent NED)*

The NC has adopted a formal set of TOR approved by the Board. The TOR of the NC can be found on the Company's website.

Directors' Fit and Proper Policy

The Directors' Fit and Proper Policy was established to set benchmark and provide guidance for the NC in their review and assessment of candidates who are to be appointed to the Board as well as directors who are seeking re-election.

The details of the Directors' Fit and Proper Policy are available for reference on the Company's website.

A summary of key activities undertaken by the NC during FYE2024, are as follows: -

- Assessed and recommended for the re-election of the retiring Directors at the Annual General Meeting ("AGM");
- Reviewed the independence of the Independent Directors of the Company;
- Reviewed the effectiveness of the Board as a whole having regard to the mix of skills, character, experience, integrity, competence and time commitment rendered; and
- Reviewed the term of office and performance of the ARMC.

In accordance with the Clause 76(3) of the Company's Constitution, an election of Directors shall take place each year. At each AGM, one-third (1/3) of the Board for the time being or the number nearest to one-third (1/3) shall retire from office by rotation, so that all Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election.

The retiring Directors at the forthcoming AGM pursuant to Clause 76(3) of the Company's Constitution are Madam Tan Hoay Leng and Mr. Wong Khai Meng. Both of them have consented to continue in office and accordingly will be offering themselves for re-election at the forthcoming AGM. After assessing the contribution by Madam Tan Hoay Leng and Mr. Wong Khai Meng in terms of guidance and time devoted to the Board affairs and in virtue of their skills and experience respectively, the NC has recommended the re-election of Madam Tan Hoay Leng and Mr. Wong Khai Meng at the forthcoming AGM.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. Board Composition (Cont'd)

The Board is responsible for the appointment of new Directors. The NC is delegated with the role of screening and conducting an initial selection, which includes an external search, before making a recommendation to the Board. NC has the authority to obtain the services of professional recruitment firms to source for candidates for directorship or seek independent professional advice whenever necessary.

In recommending suitable candidates for directorships and Board Committees to the Board, the NC takes into consideration the candidate's experience, competency, character, time commitment and potential contribution to the Group. Any new nomination received is recommended to the Board after a comprehensive assessment and the NC's endorsement.

The Board acknowledges the importance of not solely relying on recommendations from existing Board members, Management or major shareholders in identifying candidates for the appointment of Directors, but trust that the nomination has its merit.

The process of assessing the Directors is an on-going responsibility of the entire Board. The Board has put in place a formal evaluation process to annually assess the effectiveness of the Board as a whole and the Board Committees, as well as the contribution and performance of each individual Director. The criteria used, amongst others, for the annual assessment of individual Director includes the assessment of their roles, duties, responsibilities, competency, expertise and contribution. Whereas, the criteria for the assessment of the performance of the Board and Board Committees covers composition, processes, accountability, responsibilities as well as the fulfilment of duties. Results from the annual assessment on the effectiveness of the Board indicated that the Board has effectively carried out their duties and responsibilities.

III. Remuneration

The Group recognises that its workforce is pivotal in driving its long-term growth and sustainability. Remuneration package plays a crucial part in attracting, retaining and motivating individuals to drive and sustain the business. The Board has in place a Remuneration Policy which is applicable to all employees including the EDs and Independent NEDs. The philosophy and principles underpinning the Remuneration Policy are designed to maintain competitiveness for short term business objectives and drive individual growth in line with the long-term goals of the Group.

The RC oversees the implementation of policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board pursuant to the recommendations of MCCG.

The RC comprises of the following members and all of whom are Independent NEDs:

Chairman
En. Muhamed Ali Bin Hajah Mydin *(Independent NED)*

Committee Members
Mr. Wong Khai Meng *(Independent NED)*
Mr. Wan Chia Keong *(Independent NED)*

For FYE2024, the RC had carried out the annual review of the overall remuneration for Directors and key senior management personnel. In addition, the RC had also deliberated on the Directors' fees for FYE2024 which is subject to the shareholders' approval at the forthcoming AGM. Further to the deliberations, the RC had reported to the Board its recommendation and findings.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

III. Remuneration (Cont'd)

The summary of the Directors' remuneration in the Company and its subsidiaries for the FYE2024 are as follows: -

Directors	Company Salary RM	Company Bonus RM	Company Fee RM	Group Salary RM	Group Bonus RM	Group Fee RM	Group EPF RM
Executive							
Yeap Kong Chean	-	-	-	180,000	7,500	-	11,250
Tan Hoay Leng	-	-	20,000	96,000	4,000	-	12,000
Non-Executive							
Wong Khai Meng	-	-	20,000	-	-	-	
Muhamed Ali Bin Hajah Mydin	-	-	20,000	-	-	-	
Wan Chia Keong	-	-	20,000	-	-	-	
Total	**-**	**-**	**80,000**	**276,000**	**11,500**	**-**	**23,250**

We have four (4) Senior Management whose remuneration falls within the following bands as below:

Range of Remuneration	Name of Senior Management
Below RM50,000	-
RM50,001 – RM100,000	Yeap Kah Phaik, Ho Soo Wee, Chin Kong Tai
RM100,001 – RM150,000	Yeap Seong Sun
RM150,001 – RM200,000	Yong Cheng Yew
RM200,001 – RM250,000	-

The remuneration value above is computed on an aggregate basis, taking into account the relevant personnel's salary, allowances, bonus, benefits-in-kind and other emoluments.

Pursuant to Section 230 of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by a general meeting.

In determining the estimated total amount of remuneration for the NEDs, the Board considered various factors including the number of scheduled meetings for the Board, Board of subsidiaries and Board committees as well as the time spent by the said NEDs involved in these meetings.

The relevant resolutions in relation to the Directors' fees and benefits payable to the Directors are to be presented to the shareholders for approval at the upcoming 20th AGM of the Company.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

The ARMC comprises three (3) INEDs, all of whom are Independent Directors. This is in compliance with Rule 15.09(1)(b) of the Listing Requirements, which stipulates that "all the audit committee members must be non-executive directors, with a majority of them being independent directors".

The Company complied with the Practice 9.1 of the MCCG which stipulates that the Chairman of the Audit Committee is not the Chairman of the Board. The ARMC is chaired by an Independent and NED, Mr. Wong Khai Meng, who is not the Chairman of the Board.

Mr. Wong Khai Meng is a member of MIA thus fulfilling the requirement under Rule 15.09 (1)(c)(i) of the Listing Requirements.

Practice 9.2 of the MCCG requires the Audit Committee to have a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee. The TOR of the ARMC has been updated accordingly in order for the ARMC to formalise such policy. However, none of the ARMC members were former key audit partners of the Company.

Currently, the ARMC comprises three (3) members, all of whom are Independent NEDs, this is in line with the Step-Up Practice 9.4 of the MCCG.

The existing composition of the ARMC is as follows: -

Chairman
Mr. Wong Khai Meng *(Independent NED)*

Committee Members
En. Muhamed Ali Bin Hajah Mydin *(Independent NED)*
Mr. Wan Chia Keong *(Independent NED)*

The NC reviews the composition of ARMC annually and recommends to the Board for its approval. All members of the ARMC are financially literate or possess relevant business experience.

Suitability, objectivity and independence of the external auditors

The ARMC annually evaluates the suitability, objectivity and independence of the external auditors based on the guidelines of the external auditors' performance and independence checklist. The ARMC held two (2) private dialogues with the external auditors in FYE2024 without the presence of the Management.

The external auditors have continued to report to the members of the ARMC on their findings which are included as part of the Company's financial reports with respect to each year's audit on the statutory financial statements. In doing so, the Company has established a transparent arrangement with the external auditors to meet their professional requirements.

The ARMC has obtained an assurance from the external auditors confirming that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The ARMC reviews and recommends the re-appointment of the external auditors. The re-appointment of the external auditors is subject to the approval of the shareholders at the AGM. The external auditors shall report to the ARMC on all matters relating to the financial audit of the Group. They are also invited to attend the ARMC meetings as and when necessary.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

II. Risk Management and Internal Control Framework

The ARMC of the Company is entrusted with the responsibility of assessing and monitoring the robustness of the risk management controls and measures taken.

The ARMC is also responsible for evaluating the adequacy and effectiveness of internal controls put in place in the Company. The evaluation is based on the twice-yearly presentation of internal audit findings and internal audit function questionnaire.

The standards and practices adopted by internal auditors are aligned to the International Professional Practices Framework issued by the Institute of Internal Auditors. As at 31 March 2024, the total number of personnel in the internal audit firm was 20. The name and qualification of the person responsible for internal audit are as follows: -

1. Dr. Tan Yen Wooi, Managing Partner in Messrs. Tan & Loh. Obtained a Master of Science in Professional Accountancy from University of London in 2017. He is a member of the Malaysia Institute of Accountants, Malaysia Institute of Taxation and Institute of Internal Auditors Malaysia.

2. Sugaintharan, senior in charge, Graduated with a Bachelor of Accounting from Anglia Ruskin University, United Kingdom in 2016.

None of the internal auditor personnel has any relationship or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions.

The ARMC had on 28 May 2024 conducted a review and assessment on the adequacy and independence of the Company's internal audit function for FYE2024 in compliance with Rule 15.12 (1)(f) of the Listing Requirements.

PRINCIPLE C: INTERGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Effective, transparent and regular communication with stakeholders

The Group believes in, and emphasises, the importance of communication among shareholders, stakeholders and the Company. Adequate communication generates and builds public confidence towards the Company. The Board endeavours to ensure that annual reports, quarterly results, press releases and announcements are released on timely basis as a means of disseminating information of the Group's business activities and financial performance.

The Company ensures that it maintains a transparent communication channel with the shareholders and stakeholders of the Company. Disclosures are timely, relevant and accurately published on Ygl's website.

The Annual Report is the main channel of communication between the Company and its stakeholders. The Annual Report provides comprehensive information of the financial results and activities undertaken by the Group.

There was no other investor relation function held in FYE2024 except for the Annual General Meeting ("AGM") held on 29 August 2023. At the AGM, the Directors and external auditors were present to answer any relevant questions that were posed by the shareholders.

PRINCIPLE C: INTERGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

II. Conduct of General Meetings

In compliance with Practice 13.1 of the MCCG, shareholders will receive the annual report and notice of AGM, which are to be issued at least twenty-eight (28) days before the date of AGM.

In line with good CG practice, the notice of the 19th AGM was issued more than twenty-eight (28) days prior to before the AGM date to provide the shareholders sufficient time to consider the proposed resolutions that would be discussed and decided at the 19th AGM. The notice of AGM of the 19th AGM provided further explanation beyond the minimum content stipulated in the Listing Requirements for the resolution proposed along with any background information and reports or recommendation that were relevant, where required and necessary, to enable shareholders to make an informed decision in exercising their voting rights.

The notice of the 19th AGM was also published in the nationally circulated daily newspaper within the mandatory period and the Company's announcements via Bursa Securities' as well as the Company's website.

All voting is conducted by way of poll and an independent scrutineer was appointed to validate the votes cast and results of each resolution put to vote are announced at the meeting. An announcement detailing the results, including the total number of votes cast for and against each resolution and the respective percentages was announced via Bursa Securities' website after the conclusion of the general meeting.

III. Attendance in General Meetings and meaningful engagement between Board, Senior Management and Shareholders

All five (5) members of the Board, the Company Secretary, External Auditors and the senior Management attended the 19th AGM to engage directly with the shareholders.

The general meeting serves as an avenue for the Chairman and the Board members to engage in a two-way communication with shareholders where the shareholders are encouraged to participate in the question-and-answer session with the Board personally and exercise their right to vote on the proposed resolutions. The Board ensures that all Board members, particularly the chairperson of each Board committee will make their endeavours to attend general meeting to facilitate engagement with shareholders and to address any relevant questions and concerns raised by the shareholders. The external auditors will be presented at the AGM to respond to any queries from shareholders on the audit conducted, the preparation and content of the auditors' report, the accounting policies adopted by the Company, and the independent audit review of the Company's financial position.

In addition, written queries raised by the Minority Shareholders Watch Group were presented to shareholders during the 19th AGM together with the Company's responses.

IV. Minutes of General Meeting

The AGM of the Company remains one of the most important platforms for communication and engagement between the Company and its shareholder, as it encompasses a two-way discussion on the Company's achievements and performance in the past year and its plans and strategies for the near and long-term future.

The recording of the proceedings in the form of minutes reflects the mutual understanding, agreements as well as resolutions reached between the shareholders and Directors of the Company.

The minutes of the 19th AGM detailing proceedings and issues or concerns raised by shareholders, and the responses by the Company were available on the Company's website at https://www.yglworld.com/ within 30 business days after the conclusion of the AGM. The minutes provide useful information to shareholders and investors, especially for the shareholders who were unable to attend to keep track of the AGM.

STATEMENT OF COMPLIANCE WITH THE RECOMMENDATIONS OF MCCG

Save for the exception set out above, the Board is of the opinion that the Company has generally adhered to the practice set out in MCCG during FYE2024. Any practices in the MCCG which have not been implemented during the financial year will be reviewed by the Board and implemented where possible and relevant to the Group's business.

This Statement is made in accordance with a resolution of the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") of Ygl Convergence Berhad ("Ygl" or "the Company") is committed to the Malaysian Code on Corporate Governance ("MCCG") which requires the Board to maintain and ensure that a sound system of internal control exists and operates effectively within the Company and its subsidiaries ("the Group") and is pleased to provide this Statement on Risk Management and Internal Control ("Statement") outlining the nature and scope of risk management and internal control of the Group during the financial year ended 31 March 2024 pursuant to Rule 15.23 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("AMLR").

The Statement was prepared in accordance with the "Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Issuers" issued by Bursa Securities.

BOARD RESPONSIBILITY

The Board acknowledges its responsibility and reaffirms its commitment in recognising the importance of effective and appropriate system of internal control and risk management practices to enhance good corporate governance.

In this respect the Board is responsible for identifying principal risks, ensuring the implementation of appropriate systems to manage these risks and reviewing the adequacy and integrity of the Group's systems of risk management and internal control.

The system of risk management and internal control covers inter alia, governance, risk management, financial organisation, operational and compliance control. However, the Board recognises that this system is designed to manage and control risk appropriately rather than eliminate the risks of failure to achieve business objectives. Accordingly, these systems can only provide reasonable, but not absolute assurance against material misstatement by management and financial information and, records or against financial losses or fraud.

The Board is of the view that the system of internal controls in place for the year under review and up to the date of issuance of the financial statements is sound and sufficient to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets. The Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The system of internal control applies to the Group. The associate of the Company has been excluded because the Group does not have full management and control over it. However, the Company's interest is served through representation on the Board of the associate.

RISKS MANAGEMENT FRAMEWORK

The Board considers risk assessment and control to be fundamental to the Group in achieving its corporate objectives within a reasonable risk profile. It has established an ongoing process to identify, evaluate and manage the significant risks to which the Group is exposed by establishing a risk management framework for the Group. The Board recognises the importance of continuous review and improvement of its risk management process to keep abreast with the industry requirements and adapt to changes in its business environment.

The Board has established an Audit and Risk Management Committee ("ARMC") that comprises only Independent Non-Executive Directors ("NEDs") to support the Board in reviewing the risk management methodology and the effectiveness of the internal control. The ARMC assists and advises the Executive Directors ("EDs") in fulfilling its oversight responsibilities regarding effectiveness of the design, operation and effectiveness of internal control systems of the Group, including supervising the enforcement of relevant legislation and regulations. Furthermore, the ARMC regularly reviews the Group's risk exposure as they relate to capital, earnings, liquidity and compliance with risk management policies.

The Whistleblower Policy and Anti-Bribery and Corruption Policy are published on the Company's website https://www.yglworld.com/.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL

The Group has a well-defined organisational structure with clear lines of accountability and documented delegation of authority that sets out the decisions that need to be taken and the appropriate authority levels for major capital expenditure projects, acquisitions and disposals of businesses and other significant transactions that require the Board's approval as follows: -

- Dissemination of comprehensive financial reports to the Board and Audit and Risk Management Committee on a quarterly basis for review to formulate action plans to address any areas of concern;
- Involvement of the EDs in the weekly operational meetings attended by respective senior management to highlight significant matters arising on a timely basis;
- Maintain a demanding recruitment standards and employee competency programmes to ensure competent personnel are employed for the operating units to function efficiently;
- Adopting the Capability Maturity Model Integration (CMMI) quality assurance processes to appraise the development of software development and implementation;
- Constant monitoring of work performance by an effective reporting system; and
- Maintain strong internal information and data integrity in compliance with the Personal Data Protection Act, 2010.

ARMC & INTERNAL AUDIT

The Group's internal audit function has been outsourced to an independent professional firm, namely, Messrs. Tan & Loh to carry out the internal audit work on a regular basis throughout the year.

The findings and recommendations by the internal auditors are reported directly to the ARMC. This is to provide the ARMC with assurance in respect of continuity, adequacy and integrity of the system of internal controls within the Group.

During the financial year under review, the internal auditors performed two internal assignments in accordance with the internal audit plan approved by the ARMC. The internal auditors deliberated the internal audit findings and proposals for actions in consultation with the ARMC, and the Management took appropriate actions to address and monitor the areas of weaknesses.

The ARMC, on behalf of the Board, reviews the internal control issues identified and recommendations in the reports prepared by the internal auditor on a regular basis. None of these weaknesses identified had resulted in any material loss that would require disclosure in the Group's Annual Report.

CONCLUSION

The Board has received assurance from the Chief Executive Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

The Board is of the opinion that the monitoring, review and reporting arrangements provide reasonable assurance that the internal control measures in place are effective. Pursuant to Rule 15.23 of the AMLR, the external auditors have reviewed this Statement and reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

This Statement is made in accordance with a resolution of the Board.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

In accordance with the Companies Act 2016, the Board of Directors ("the Board") is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their financial results and cash flows for the financial year then ended.

The Board is responsible to ensure that the Group and the Company keep proper accounting records to enable the Company to disclose, with reasonable accuracy and without any material misstatement in the financial statements, the financial position and the income statement of the Group and the Company. The Board is also responsible to ensure that the financial statements comply with the Companies Act 2016, relevant accounting standards and ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

In preparing the financial statements for the financial year ended 31 March 2024, the Board has: -

- all applicable approved accounting standards in Malaysia have been followed;
- applied the appropriate and relevant accounting policies on a consistent basis, subject to any material departures which will be disclosed and explained in the financial statements;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis as the Board has a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Board has general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, to prevent and detect fraud and other irregularities.

The Board has also ensured that the quarterly reports and annual audited financial statements of the Group are submitted to Bursa Securities in a timely manner to keep the investing public informed of the Group's latest performance and developments.

The Board has provided the auditors with every opportunity to take all steps, undertake all inspections and seek all explanations they considered to be appropriate for the purpose of enabling them to give their audit report on the financial statements.

This statement is made in accordance with a resolution of the Board.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

On 17 November 2023, a total of 16,200,000 new ordinary shares were issued pursuant to the Private Placement exercise at an issue price of RM0.1281 in accordance with the general mandate for issue of shares pursuant to the proposed private placement and shareholders' mandate for the Directors of the Company to issue and allot up to 20% of the enlarged number of issued shares of the Company and total proceeds of RM2,075,220 had been raised from the Private Placement of the Company.

As at 11 July 2024, the status of the utilisation of the proceeds arising from the Private Placement was as follows: -

	Details	RM'000
1)	Listing and placement expenses	200
2)	Software development	573
3)	Working capital	119
4)	Marketing expenses	-
5)	Balance of the proceeds which has yet to be utilised	1,183
	Total proceeds arising from Private Placement	**2,075**

AUDIT FEES AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors and a firm affiliated to the external auditors' firm by the Company and the Group for the financial year ended 31 March 2024 are as follows: -

	Company RM	Group RM
Audit fees	41,000	129,564
Non-audit fees	5,000	5,000
Total fees	**46,000**	**134,564**

In considering the nature and scope of the non-audit services, the Audit and Risk Management Committee is satisfied that the provision of such services would not be likely to create any conflict or impair the independence and objectivity of the external auditors.

MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

Other than those disclosed in Note 25 to the audited financial statements in this Annual Report, there were no material contract (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries involving the interest of the Company's Directors, chief executive who is not a director and its major shareholders either still subsisting as at 31 March 2024 or entered into since the end of the previous financial year ended 31 March 2023.

ADDITIONAL COMPLIANCE INFORMATION

EMPLOYEES' SHARES OPTION SCHEME ("ESOS")

The ESOS of up to 30% of the issued and paid-up share capital of the Company at any point in time during the duration of the ESOS has been extended until 5 November 2027.

The total number of options granted to the eligible Directors and employees of the Group and outstanding options under ESOS as at 31 March 2024 are set out in the table below: -

Description	Number of Options
Granted in the previous year/At 1 April 2023	2,117,000
Granted during the financial year	-
Exercised during the financial year	-
Lapsed during the financial period	(370,000)
Outstanding options exercisable as at 31 March 2024	1,747,000

The total number of options granted to the Directors and Senior Management, and outstanding options under ESOS as at 31 March 2024 are set out in the table below: -

	Number of Options	
Description	Directors	Senior Management
Granted in the previous year/At 1 April 2023	490,000	820,000*
Granted during the financial year	-	-
Exercised during the financial year	-	-
Lapsed during the financial period	-	(160,000)
Outstanding options exercisable as at 31 March 2024	490,000	660,000

Percentage of options granted to Directors and Senior Management under the ESOS are as follows: -

	Since commencement up to 31 March 2024
Aggregate maximum allocation applicable to Directors and Senior Management	50%
Actual percentage granted	17.87%

The options granted to Independent Non-Executive Directors pursuant to ESOS in respect of financial year ended 31 March 2024 are nil.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

The directors have pleasure in submitting their report together with the audited financial statements of the Group and the Company for the financial year ended 31 March 2024.

Principal activities

The Company is principally involved in the provision of management services, investment holding and sale of computer hardware. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Profit/(loss) after tax for the financial year	440,354	(597,128)
Attributable to:		
Owners of the parent	251,324	(597,218)
Non-controlling interests	189,030	-
	440,354	(597,218)

In the opinion of the directors, the results of the operations of the Group and the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

No dividends have been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

Issue of shares and debentures

During the financial year, the Group increased its ordinary share capital by way of issuance of 16,200,000 new ordinary shares of RM0.13 each. The Company did not issue any debentures during the financial year.

Employees' Share Option Scheme ("ESOS")

The Company's ESOS is governed by the By-Laws approved by the shareholders at the Extraordinary General Meeting held on 27 May 2017. The ESOS came into effect on 6 November 2017 and will be in force for a duration of 5 years, expiring on 5 November 2022. On 31 March 2021, the Directors have extended the ESOS for a further period of 5 years from 6 November 2022 to 5 November 2027 in accordance with terms of the By-Laws.

Employees' Share Option Scheme ("ESOS") (Cont'd)

The details of options over unissued ordinary shares granted to eligible employees and Directors of the Group during the financial year are as follows:

		Number of options over ordinary shares				
Grant date	Exercise price RM	At 1.4.2023	Granted and accepted	Exercised	Lapsed	At 31.3.2024
6 November 2017	0.1612	1,007,000	-	-	(335,000)	672,000
21 April 2021	0.1904	1,110,000	-	-	(35,000)	1,075,000

The salient features of the ESOS are disclosed in Note 14(b) to the financial statements.

Details of the options granted to Directors are disclosed in the section on Directors' interests in this report.

Directors of the Company

The Directors in office since the beginning of the financial year up to the date of this report are as follows:

Yeap Kong Chean*
Tan Hoay Leng*
Wong Khai Meng
Muhamed Ali Bin Hajah Mydin
Wan Chia Keong

* Also a Director of certain subsidiaries

Directors of Subsidiaries of the Company

Pursuant to Section 253(2) of the Companies Act 2016, the Directors who served in the subsidiaries (excluding Directors who are also Directors of the Company) since the beginning of the financial year up to the date of this report are as follows:

Y.T.M. Dato' Muhammed Bin Haji Abdullah
Dato' Abdul Aziz Bin Ismail, D.I.M.P., J.P.
Tan Wei Keat
Ho Siew Bee
Chin Kong Tai (appointed on 18.04.2023)

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

Directors' interests

According to the register of directors' shareholdings required to be kept under Section 59 of the Companies Act, 2016, the directors who held office at the end of financial year and their interests in the Group and the Company during the financial year were as follows:

	Number of ordinary shares			
	At 1.4.2023	Bought	Sold	At 31.3.2024
The Company				
Direct Interest:				
Yeap Kong Chean	40,666,668	5,200,000	-	45,866,668
Indirect Interest:				
Tan Hoay Leng #	40,666,668	5,200,000	-	45,866,668

Deemed interested through her spouse.

	Number of options over ordinary shares				
	At 1.4.2023	Granted and accepted	Exercised	Lapsed	At 31.3.2024
The Company					
Direct Interest:					
Yeap Kong Chean	320,000	-	-	-	320,000
Tan Hoay Leng	170,000	-	-	-	170,000

None of the other Directors in office at the end of the financial year had any interest in the shares and options over shares of the Company or of its related corporations during the financial year.

Directors' remuneration and benefits

The amount of fees and other benefits paid to or receivable by the Directors or past Directors of the Company and the estimated money value of any other benefits received or receivable by them otherwise than in cash from the Company and its subsidiaries for their services to the Company and its subsidiaries were as follows:

	Company RM	Subsidiaries RM
Fee	80,000	18,000
Salary and bonus	-	287,500
Contributions to defined contribution plan	-	23,250
Total fees and other benefits	80,000	328,750

Directors' remuneration and benefits (Cont'd)

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than Directors' emoluments received or due and receivable as disclosed in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the related party transactions disclosed in the financial statements.

There were no arrangements during or at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Other statutory information

(a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

    (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

    (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

    (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent;

    (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;

    (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and

    (iv) not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements misleading.

(c) At the date of this report, there does not exist:

    (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

    (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

    (i) no contingent or other liability has become enforceable, or likely to become enforceable, within the period of twelve months after the end of the financial year, which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

    (ii) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements; and

    (iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Other statutory information (Cont'd)

(e) The total amount of fees paid to or receivable by the auditors as remuneration for their services as auditors of the Company and its subsidiaries for the current financial year are disclosed in Note 21 to the financial statements.

(f) There was no amount paid to or receivable by any third party in respect of the services provided to the Company or any of its subsidiaries by any Director or past Director of the Company.

(g) There was no indemnity given to or insurance effected for any Director, officer or auditor of the Group and of the Company.

Subsequent events

The subsequent events are disclosed in Note 31 to the financial statements.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 6 to the financial statements.

Auditors' remuneration

The auditors' remuneration of the Group and of the Company are amounted to RM87,500 and RM41,000 (2023: RM91,500 and RM41,000) respectively.

Auditors

The auditors, CHENGCO PLT, have expressed their willingness to continue in office.

Signed on behalf of the board of director in accordance with a resolution of the directors,

....

Yeap Kong Chean

Director

....

Tan Hoay Leng

Director

Penang,
Date: 26 July 2024

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, the undersigned, being two of the directors of the Company, do hereby state on behalf of the directors that in our opinion, the financial statements as set out on pages 77 to 154, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and of their financial performance and their cash flows of the Company for the financial year then ended.

Signed on behalf of the board of directors in accordance with a resolution of the directors,

....	....
Yeap Kong Chean	**Tan Hoay Leng**
Director	Director

Penang,
Date: 26 July 2024

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016

I, Tan Hoay Leng (MIA Membership No: 12348), being the officer primarily responsible for the financial management of Ygl Convergence Berhad, do solemnly and sincerely declare that the financial statements of the Company as set out on pages 77 to 154, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed Tan Hoay Leng at George Town in the)
State of Penang on 26 July 2024)

	....
Before me,	**Tan Hoay Leng**
	Financial Controller

....
Wong Yuee Harng (P189)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YGL CONVERGENCE BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ygl Convergence Berhad, which comprise the statements of financial position as at 31 March 2024 and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 77 to 154.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Our audit procedures performed and responses thereon
Impairment review of intangible assets *(Note 8 to the financial statements)* As at 31 March 2024, the carrying amount of software development costs amounted to RM2,014,326, representing approximately 95% of the total intangible assets and 9% of the Group's total assets. We identified the valuation of software development costs as a key audit matter as the impairment assessment of the intangible assets involves significant judgement by the Group in estimating the recoverable amount based on value-in-use calculations and assumptions supporting the underlying cash flow projections, including forecast growth rates, pre-tax discount rates and gross profit margin.	Our audit procedures focused on evaluating the cash flow projections and the Group's forecasting procedures which included, among others: • Reviewing the cash flow projections covering a period of 5 years; • Reviewing and challenging the appropriateness and reasonableness of the assumptions applied to key inputs such as profit margin, future revenue and discount rate applied; • Testing the mathematical accuracy of the cash flow projections; • Performing sensitivity analysis on the key assumptions used in the cash flow projections; and • Assessing the adequacy of disclosures in the financial statements.

Key Audit Matters (cont'd)

Key Audit Matters	Our audit procedures performed and responses thereon
Impairment review of the Company's investment in subsidiaries *(Note 6 to the financial statements)*	
As at 31 March 2024, the carrying amount of the Company's investment in subsidiaries amounted to RM7,382,655. A history of recent losses and significant accumulated losses recorded by certain subsidiaries have resulted in the existence of indications that the carrying amounts may be impaired. Accordingly, the Company estimated the recoverable amount of the investment in subsidiaries based on value-in-use ("VIU") calculations, using cash flow projections derived from the most recent financial forecast approved by Directors covering a five-year period. We identified the impairment review of investment in subsidiaries as a key audit matter as the carrying amount of the investment in subsidiaries is significant to the Company's financial statements. In addition, there are significant judgements involved in management's impairment assessment of the said investments, in particular the recoverable amounts calculations and assumptions supporting the underlying cash flow projections of the VIU calculation, including forecast growth rates, pre-tax discount rates and gross profit margin.	We have performed the following audit procedures to evaluate management's assumptions used in the VIU calculations: • Understanding the management's process for identifying the existence of impairment indicators on the cost of investments; • Reviewing the cash flow projections covering a period of 5 years; • Reviewing and challenging the appropriateness and reasonableness of the assumptions applied to key inputs such as profit margin, future revenue and discount rate applied; • Testing the mathematical accuracy of the cash flow projections; • Performing sensitivity analysis on the key assumptions used in the cash flow projections to evaluate the magnitude of their impacts on the calculation of the recoverable amounts of the cost of investments; and • Assessing the adequacy of disclosures in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

TO THE MEMBERS OF YGL CONVERGENCE BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

CHENGCO PLT
201806002622
(LLP0017004-LCA) & AF0886
Chartered Accountants

NG KEE SIANG
03643/03/2026 J
Chartered Accountant

Penang,
Date: 26 July 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024

		Group			Company		
		2024	2023 (Restated)	2022 (Restated)	2024	2023	2022
	Note	RM	RM	RM	RM	RM	RM
ASSETS							
Non-current assets							
Property, plant and equipment	5	4,186,341	3,566,086	3,767,428	2,160,470	2,383,145	2,597,959
Investment property	6	750,000	750,000	750,000	-	-	-
Investment in subsidiary	7	-	-	-	7,382,655	7,910,603	8,679,810
Investment in an associate	8	2,020,908	2,068,366	2,006,624	1,475,000	1,475,000	1,475,000
Intangible assets	9	2,127,659	2,482,310	2,809,450	-	-	-
		9,084,908	8,866,762	9,333,502	11,018,125	11,768,748	12,752,769
Current assets							
Inventories	10	992,939	813,969	479,837	-	-	-
Trade and other receivables	11	2,656,396	2,596,301	4,589,589	15,005	16,433	15,302
Amount due from subsidiaries	12	-	-	-	511,339	429,579	1,388
Current tax assets		237,365	269,164	165,927	67,895	66,895	46,895
Cash and bank balances	13	8,658,633	3,889,689	3,519,602	4,033,804	1,860,294	2,333,856
		12,545,333	7,569,123	8,754,955	4,628,043	2,373,201	2,397,441
TOTAL ASSETS		21,630,241	16,435,885	18,088,457	15,646,168	14,141,949	15,150,210
EQUITY AND LIABILITIES							
Equity attributable to owners of the Company							
Share capital	14	11,475,588	30,400,368	30,400,368	11,475,588	30,400,368	30,400,368
Other reserves	15	1,124,473	403,388	1,032,394	231,093	280,043	294,229
Retained pofits/ (Accumulated losses)		3,064,883	(19,161,615)	(17,851,530)	3,859,748	(16,592,074)	(15,599,238)
		15,664,944	11,642,141	13,581,232	15,566,429	14,088,337	15,095,359
Non-controlling interests		(241,102)	(430,132)	(399,446)	-	-	-
Total equity		15,423,842	11,212,009	13,181,786	15,566,429	14,088,337	15,095,359
Non-current liabilities							
Deferred tax liabilities	16	106,776	-	-	-	-	-
Contract liabilities	17	24,498	17,782	98,465	-	-	-
		131,274	17,782	98,465	-	-	-

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024

		Group			Company		
		2024	2023 (Restated)	2022 (Restated)	2024	2023	2022
	Note	RM	RM	RM	RM	RM	RM
EQUITY AND LIABILITIES (CONT'D)							
Current liabilities							
Trade and other payables	18	3,784,642	1,985,018	2,187,671	79,739	53,612	53,116
Amount due to subsidiary	12	-	-	-	-	-	1,735
Contract liabilities	17	1,056,007	1,512,504	1,357,391	-	-	-
Bank borrowings	19	1,036,620	1,699,617	1,260,506	-	-	-
Current tax liabilities		197,856	8,955	2,638	-	-	-
		6,075,125	5,206,094	4,808,206	79,739	53,612	54,851
Total liabilities		6,206,399	5,223,876	4,906,671	79,739	53,612	54,851
TOTAL EQUITY AND LIABILITIES		21,630,241	16,435,885	18,088,457	15,646,168	14,141,949	15,150,210

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Group			Company		
		2024	2023 (Restated)	2022 (Restated)	2024	2023	2022
	Note	RM	RM	RM	RM	RM	RM
Revenue	20	11,822,226	11,832,417	13,852,548	10,000	10,000	10,000
Cost of sales		(8,064,612)	(9,793,733)	(10,889,410)	-	-	-
Gross profit		3,757,614	2,038,684	2,963,138	10,000	10,000	10,000
Other operating income		1,200,962	133,812	626,574	1,420,344	49,475	44,080
General and administrative expenses		(4,183,863)	(3,493,764)	(3,574,092)	(2,027,472)	(1,066,497)	(3,958,011)
Profit/(Loss) from operations		774,713	(1,321,268)	15,620	(597,128)	(1,007,022)	(3,903,931)
Finance costs		(65,545)	(75,241)	(48,104)	-	-	-
Share of results of an associate	8	(47,458)	61,742	274,483	-	-	-
Profit/(Loss) before tax	21	661,710	(1,334,767)	241,999	(597,128)	(1,007,022)	(3,903,931)
Tax expense	22	(221,356)	(20,190)	(20,139)	-	-	-
Profit/(loss) for the financial year		440,354	(1,354,957)	221,860	(597,128)	(1,007,022)	(3,903,931)
Other comprehensive income/(loss), net of tax							
Items that will be reclassified subsequently to profit or loss							
Foreign currency translation differences for foreign operations		770,035	(614,820)	(2,073)	-	-	-
Share of other comprehensive income of an associate		-	-	8,163	-	-	-
Gain on revaluation of property, plant and equipment		960,988	-	-	-	-	-
Total other comprehensive income/(loss) for the financial year		1,731,023	(614,820)	6,090	-	-	-
Total comprehensive income/(loss) for the financial year		2,171,377	(1,969,777)	227,950	(597,128)	(1,007,022)	(3,903,931)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Group			Company		
		2024	2023 (Restated)	2022 (Restated)	2024	2023	2022
	Note	RM	RM	RM	RM	RM	RM
Profit/(loss) for the financial year attributed to:							
Owner of the company		251,324	(1,324,271)	389,705	(597,128)	(1,007,022)	(3,903,931)
Non-controlling interests		189,030	(30,686)	(167,845)	-	-	-
		440,354	(1,354,957)	221,860	(597,128)	(1,007,022)	(3,903,931)
Total comprehensive income/(loss) for the financial year attributed to:							
Owner of the company		1,982,347	(1,939,091)	397,601	(597,128)	(1,007,022)	(3,903,931)
Non-controlling interests		189,030	(30,686)	(169,651)	-	-	-
		2,171,377	(1,969,777)	227,950	(597,128)	(1,007,022)	(3,903,931)
Earning/(Loss) per share							
Basic (sen)		0.09	(0.52)	0.15			
Diluted (sen)		-	(0.52)	0.15			

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Group	Share capital RM	Exchange translation reserve RM	ESOS reserve RM	(Accumulated losses)/ Retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
	Attributable to owner of the parent						
	Non-Distributable			Distributable			
2024							
As 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 for the financial year	-	770,035	-	960,988	1,731,023	-	1,731,023
Profit for the financial year	-	-	-	251,324	251,324	189,030	440,354
Total comprehensinve loss for the financial year	-	770,035	-	1,212,312	1,982,347	189,030	2,171,377
Transactions with owners of the Company:							
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 transactions:							
- Granted	-	-	-	-	-	-	-
- Lapsed due to resignation	-	-	(48,950)	14,186	(34,764)	-	(34,764)
Total transactions with owners	(18,924,780)	-	(48,950)	21,014,186	2,040,456	-	2,040,456
As at 31 March 2024	11,475,588	893,380	231,093	3,064,883	15,664,944	(241,102)	15,423,842

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Group	Attributable to owner of the parent						
	Non-Distributable			Distributable			
	Share capital RM	Exchange translation reserve RM	ESOS reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
2023							
Restated							
As at 1 April 2022	30,400,368	738,165	294,229	(17,851,530)	13,581,232	(399,446)	13,181,786
Foreign currency translation differences for foreign operations	-	(614,820)	-	-	(614,820)	-	(614,820)
Total other comprehensive income for the financial year	-	(614,820)	-	-	(614,820)	-	(614,820)
Loss for the financial year							
- As previously reported	-	-	-	(1,324,748)	(1,324,748)	(30,686)	(1,355,434)
- Prior year adjustment (Note 30)	-	-	-	477	477	-	477
	-	-	-	(1,324,271)	(1,324,271)	(30,686)	(1,354,957)
Total comprehensive loss for the financial year	-	(614,820)	-	(1,324,271)	(1,939,091)	(30,686)	(1,969,777)
Transactions with owners of the Company:							
Share-based payment transactions:							
- Granted	-	-	-	-	-	-	-
- Lapsed due to resignation	-	-	(14,186)	14,186	-	-	-
Total transactions with owners	-	-	(14,186)	14,186	-	-	-
As at 31 March 2023	30,400,368	123,345	280,043	(19,161,615)	11,642,141	(430,132)	11,212,009

The accompanying notes form an integral part of these financial statements.

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Attributable to owners of the Company						
	Non-Distributable			Distributable			
Group	Share capital RM	Exchange translation reserve RM	ESOS reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
2022							
Restated							
As at 1 April 2021	30,400,368	730,269	152,172	(18,263,324)	13,019,485	(229,795)	12,789,690
Foreign currency translation differences for foreign operations	-	(267)	-	-	(267)	(1,806)	(2,073)
Share of other comprehensive income of an associate	-	8,163	-	-	8,163	-	8,163
Total other comprehensive income for the financial year	-	7,896	-	-	7,896	(1,806)	6,090
Profit for the financial year							
- As previously reported	-	-	-	(77,568)	(77,568)	(167,845)	(245,413)
- Prior year adjustment (Note 30)	-	-	-	467,273	467,273	-	467,273
	-	-	-	389,705	389,705	(167,845)	221,860
Total comprehensive income/(loss) for the financial year	-	7,896	-	389,705	397,601	(169,651)	227,950
Transactions with owners of the Company:							
Share-based payment transactions:							
- Granted	-	-	164,146	-	164,146	-	164,146
- Lapsed due to resignation	-	-	(22,089)	22,089	-	-	-
Total transactions with owners	-	-	142,057	22,089	164,146	-	164,146
As at 31 March 2022	30,400,368	738,165	294,229	(17,851,530)	13,581,232	(399,446)	13,181,786

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Company	Share capital RM	ESOS reserve RM	Retained profits/ (Accumulated losses) RM	Total equity RM
	← Non-Distributable	→		
2024				
As at 1 April 2023	30,400,368	280,043	(16,592,074)	14,088,337
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(597,128)	(597,128)
Transaction with owners of the Company:				
Allotment of shares	2,075,220	-	-	2,075,220
Reduction of share capital	(21,000,000)	-	21,000,000	-
Share-based payment transactions:				
- Granted	-	-	-	-
- Lapsed due to resignation	-	(48,950)	48,950	-
Total transactions with owners	(18,924,780)	(48,950)	21,048,950	2,075,220
As at 31 March 2024	11,475,588	231,093	3,859,748	15,566,429
2023				
As at 1 April 2022	30,400,368	294,229	(15,599,238)	15,095,359
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(1,007,022)	(1,007,022)
Transaction with owners of the Company:				
Share-based payment transactions:				
- Granted	-	-	-	-
- Lapsed due to resignation	-	(14,186)	14,186	-
Total transactions with owners	-	(14,186)	14,186	-
As at 31 March 2023	30,400,368	280,043	(16,592,074)	14,088,337

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Non-Distributable			
	Share capital RM	ESOS reserve RM	Retained profits/ (Accumulated losses) RM	Total equity RM
2022				
As at 1 April 2021	30,400,368	152,172	(11,717,396)	18,835,144
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(3,903,931)	(3,903,931)
Transaction with owners of the Company:				
Share-based payment transactions:				
- Granted	-	164,146	-	164,146
- Lapsed due to resignation	-	(22,089)	22,089	-
Total transactions with owners	-	142,057	22,089	164,146
As at 31 March 2022	30,400,368	294,229	(15,599,238)	15,095,359

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Group			Company		
	2024 RM	2023 (Restated) RM	2022 (Restated) RM	2024 RM	2023 RM	2022 RM
Cash flows from operating activities						
Profit/(loss) before tax	661,710	(1,334,767)	241,999	(597,128)	(1,007,022)	(3,903,931)
Adjustments for :						
Amortisation of intangible assets	1,184,727	1,366,337	1,513,987	-	-	-
Bad debts	-	-	138	-	-	-
Depreciation of :						
Investment property	477	477	477	-	-	-
Property, plant and equipment	266,252	270,844	290,259	222,675	222,674	221,103
Dividend income	(44,389)	(26,964)	(28,767)	(44,389)	(26,964)	(28,767)
Fixed asset written off	2,302	-	-	-	-	-
Fair value gain on revaluation reserve	(477)	(477)	(467,273)	-	-	-
Impairment loss on:						
Investment in subsidiaries	-	-	-	-	600,000	3,453,000
Trade receivables	(15,611)	151,275	85,342	-	-	-
Interest expense	65,545	75,241	48,104	-	-	-
Interest income	(31,020)	(20,790)	(5,541)	(61,547)	(22,464)	(14,825)
Renovation cost written off	156,815	-	-	-	-	-
Inventory written down	21,782	-	-	-	-	-
Reversal of impairment losses on:						
Trade receivables	-	-	(6,360)	-	-	-
Share-based payment transactions	-	(14,186)	164,146	-	-	39,178
Share of results of an associate	47,458	(61,742)	(274,483)	-	-	-
Unrealised loss on foreign exchange	(304)	2,388	21,016	-	-	-
Operating profit/(loss) before working capital changes	2,315,267	407,636	1,583,044	(480,389)	(233,776)	(234,242)
Changes in working capital:						
Inventories	(200,753)	(334,132)	(479,837)	-	-	-
Trade and other receivables	(42,699)	1,842,013	(2,065,680)	1,428	(1,131)	(797)
Trade and other payables	2,469,236	(202,653)	763,455	26,127	496	(4,862)
Contract liabilities	(449,779)	74,429	592,721	-	-	-

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Group			Company		
	2024 RM	2023 (Restated) RM	2022 (Restated) RM	2024 RM	2023 RM	2022 RM
Cash generated from/(used in operations	4,091,272	1,787,293	393,703	(452,834)	(234,411)	(239,901)
Dividends received	44,389	26,964	28,767	44,389	26,964	28,767
Interest paid	(65,545)	-	-	-	-	-
Interest received	31,020	20,790	5,541	29,475	19,854	4,525
Tax refund	35,221	-	-	-	-	-
Tax paid	(35,878)	(117,169)	(179,888)	(1,000)	(20,000)	(49,918)
Net cash from/(used in) operating activities	4,100,479	1,717,878	248,123	(379,971)	(207,593)	(256,527)
Cash flows from investing activities						
Repayment from/(Advances to) related companies	-	-	-	-	-	-
(Advance to)/ Repayment from subsidiaries	-	-	-	446,188	(258,984)	171,850
Interest income from subsidiaries	-	-	-	32,073	2,610	10,300
Placement of fixed deposit pledged	(28,192)	(19,747)	(1,004,285)	(28,192)	(19,747)	(1,004,285)
Purchase of property, plant and equipment	(27,078)	(69,502)	(30,141)	-	(7,860)	-
Proceeds from issuance of shares	2,180,220	-	-	2,075,220		
Software development costs	(830,076)	(1,039,197)	(1,311,619)	-	-	-
Net cash used in investing activities	1,294,874	(1,128,446)	(2,346,045)	2,525,289	(283,981)	(822,135)
Cash flows from financing activities						
Advances from holding company	-	-	-	-	-	-
Financing from holding company	-	-	-	-	-	-
Repayment to holding company	-	-	-	-	-	-
Interest paid to holding and related companies	-	-	-	-	-	-
Advances from/(Repayment to) related companies	-	-	-	-	(1,735)	1,735
(Repayment)/Drawdown of trust receipts	(500,789)	410,247	90,542	-	-	-
Interest paid	-	(75,241)	(48,104)	-	-	-
Net cash from/(used in) financing activities	(500,789)	335,006	42,438	-	(1,735)	1,735

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Group			Company		
	2024	2023 (Restated)	2022 (Restated)	2024	2023	2022
	RM	RM	RM	RM	RM	RM
Net decrease in cash and cash equivalents	4,894,564	924,438	(2,055,484)	2,145,318	(493,309)	(1,076,927)
Effect of exchange rate changes on cash and bank balances	8,396	-	-	-	-	-
Foreign currency translation differences	-	(602,962)	(22,773)	-	-	-
Cash and cash equivalents at beginning of the financial year	1,666,829	1,345,353	3,423,610	836,262	1,329,571	2,406,498
Cash and cash equivalents at end of financial year (Note (i))	6,569,789	1,666,829	1,345,353	2,981,580	836,262	1,329,571

Note:

(i) Cash and cash equivalents are represented by:

Fixed deposit	1,140,822	1,024,032	1,004,285	1,052,224	1,024,032	1,004,285
Short term investment	2,733,340	629,500	1,002,721	2,733,340	629,500	1,002,721
Cash on hand and at banks	4,784,471	2,236,157	1,512,596	248,240	206,761	326,850
Bank overdraft	(1,036,620)	(1,198,828)	(1,169,964)	-	-	-
	7,622,013	2,690,861	2,349,638	4,033,804	1,860,294	2,333,856
Less : Pledged fixed deposit	(1,052,224)	(1,024,032)	(1,004,285)	(1,052,224)	(1,024,032)	(1,004,285)
	6,569,789	1,666,829	1,345,353	2,981,580	836,262	1,329,571

The accompanying notes form an integral part of these financial statements.

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company are located at No. 35, Scotland Road, 10450 Georgetown, Pulau Pinang.

The Company is principally involved in the provision of management services, investment holding and sale of computer hardware. The principal activities and other information of its subsidiaries are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 26 July 2024.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

New and Revised MFRSs and Amendments/Improvements to MFRSs

(i) Adoption of Amendments to MFRSs

The Group and the Company have adopted the following Amendments to MFRSs that are mandatory for the current financial year:

Effective for financial periods beginning on or after 1 January 2023

MFRS 17 and Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	Pillar Two Model Rules

Initial application of the above standards did not have any significant effect on the financial statements of the Group and of the Company.

2. BASIS OF PREPARATION (Cont'd)

(a) Statement of compliance (Cont'd)

New and Revised MFRSs and Amendments/Improvements to MFRSs (Cont'd)

(ii) Standards issued but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new MFRSs and Amendments/ Improvements to MFRSs that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and for the Company:

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Lease Liability in a Sales and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

Effective for the financial periods beginning on or after 1 January 2025

Amendments to MFRS 121	Lack of exchangeability

Effective date to be announced

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company will adopt the above standards when they become effective in the respective financial periods. These standards are not expected to have any effect to the financial statements of the Group and of the Company upon initial applications.

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost convention except for those as disclosed in the accounting policy notes.

(c) Functional and presentation currency

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

(d) Significant accounting estimates and judgements

The summary of accounting policies as described in Note 3 are essential to understand the Group's and the Company's results of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's and the Company's accounting policies.

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2. BASIS OF PREPARATION (Cont'd)

(d) Significant accounting estimates and judgements (Cont'd)

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

(i) Impairment of non-financial assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows. The Group has also taken into consideration the impact of Covid-19 pandemic in the process of estimating future cash flows.

(ii) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(iii) Impairment of financial assets

The Group and the Company assess on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised costs. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group and the Company apply the simplified approach permitted by MFRS 9, which required expected lifetime losses to be recognised from initial recognition of the trade receivables.

For non-trade receivables, the Group and the Company apply the approach permitted by MFRS 9, which requires the Group and the Company to measure the allowance for impairment loss for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

(iv) Significant influence over the investee

As disclosed in Note 7 to the financial statements, the Company holds 9.6% equity interest in Ygl iBay International Sdn. Bhd. The Company is able to demonstrate significant influence over the financial and operating policies as it has representation on the board of the investee. On this basis, the Company treats the investee as an associate.

3. CHANGES IN MATERIAL ACCOUNTING POLICIES

Material accounting policy information

The Group and the Company adopted amendments to MFRS 101, Presentation of Financial Statements and MFRS Practice Statement 2 – Disclosures of Accounting policies from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materially to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

3. CHANGES IN MATERIAL ACCOUNTING POLICIES (Cont'd)

Material accounting policy information (Cont'd)

Although the amendments did not result in any changes to the Group entities' accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

4. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements

(a) Basis of consolidation

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances. The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant power activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(ii) Potential voting rights held by the Company, other vote holders or other parties;
(iii) Rights arising from other contractual arrangements; and
(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

When control ceases, the disposal proceeds and the fair value of any retained investment are compared to the Group's share of the net assets disposed. The difference together with the carrying amount of allocated goodwill and the exchange reserve that relate to the subsidiary is recognised as gain or loss on disposal.

Business combination

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree.

The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction cost incurred are expensed and included in administrative expenses.

4. MATERIAL ACCOUNTING POLICIES (Cont'd)

The accounting policies set out below have been applied consistently to the periods presented in these financial statements (Cont'd)

(a) Basis of consolidation (Cont'd)

Business combination (Cont'd)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 9 either in profit or loss or a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Business combinations under common control are accounted using the predecessor method of merger accounting where the profit or loss and other comprehensive income include the results of each of the combining entities from the earliest date presented or from the date when these entities came under the control of the common controlling party (if later).

The assets and liabilities of the combining entities are accounted for based on the carrying amounts from the perspective of the common controlling party, or the combining entities if the common controlling party does not prepare consolidated financial statements.

The difference in cost of acquisition over the aggregate carrying value of the assets and liabilities of the combining entities as of the date of the combination is taken to equity. Transaction cost for the combination is recognised in profit or loss.

Similar treatment applies in the Company's separate financial statements when assets and liabilities representing the underlying businesses under common control are directly acquired by the Company. In accounting for business combinations in the Company's separate financial statements, the excess of the cost of acquisition over the aggregate carrying amounts of assets and liabilities as of the date of the combination is taken to equity.

Subsidiaries

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in profit or loss.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future, is, in substance, considered as part of the Company's investment in subsidiaries.

Non-controlling interests

Non-controlling interests represents the equity in subsidiaries not attributable directly or indirectly, to owners of the Company, and is presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

4. MATERIAL ACCOUNTING POLICIES (Cont'd)

The accounting policies set out below have been applied consistently to the periods presented in these financial statements (Cont'd)

(a) Basis of consolidation (Cont'd)

Non-controlling interests (Cont'd)

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Associates

Associates are entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the associate's operations or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss.

Investment in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investment includes transaction costs.

Transactions eliminated on consolidation

Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions between subsidiaries in the Group, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment

4. MATERIAL ACCOUNTING POLICIES (Cont'd)

(b) Foreign currencies

Translation of foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary items denominated in foreign currencies at the end of the reporting period are translated to the functional currencies at the exchange rates at that date. Non-monetary items denominated in foreign currencies are not retranslated at the end of the reporting period except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations.

Translation of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Exchange differences are recognised in other comprehensive income and accumulated in the exchange translation reserve in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the exchange difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, the significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to the foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the exchange translation reserve in equity.

(c) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

4. MATERIAL ACCOUNTING POLICIES (Cont'd)

(c) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income as a revaluation surplus reserve. When the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus reserve of that asset.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on straight-line basis over the estimated useful life of each component of an item of property, plant and equipment at the following annual rates:

Office lot	2%
Motor vehicles	20%
Computer equipment	20% - 50%
Furniture, fittings and office equipment	20% - 33.33%
Renovation	5% - 20%

Freehold land is not depreciated as it has an indefinite useful life.

Capital work-in-progress is stated at cost less any accumulated impairment losses and includes borrowing cost incurred during the period of construction.

No depreciation is provided on capital work-in-progress and upon completion of construction, the cost will be transferred to property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted as appropriate.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

(iv) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICIES (Cont'd)

(d) Investment property

Prior 1 April 2023
An investment property is held either to earn rental income or for capital appreciation or for both.

The Group uses the cost model to measure its investment property after initial recognition. Accordingly, the investment property is stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property. The cost of a self-constructed investment property, if any, includes the cost of material, direct labour and any other direct attributable costs. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

The Group's investment property is depreciated on a straight-line basis over its remaining useful life of 50 years.

Investment properties are measured at fair values and are included in the statements of financial position at their open market values. Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss in the period in which they arise.

An investment property is derecognised on its disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from derecognition of such property is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. When an entity uses the cost model, transfers between investment property and owner-occupied property do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

(e) Intangible assets

Goodwill

Goodwill acquired in a business combination represents the difference between the purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities in the subsidiaries at the date of acquisition.

Goodwill is allocated to cash-generating units and is stated at cost less accumulated impairment losses, if any. Impairment test is performed annually. Goodwill is also tested for impairment when indication of impairment exists. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of investment in the subsidiary, the related goodwill will be included in the computation of gain or loss on disposal of investment in the subsidiary in the Group's profit or loss.

Software development costs

Costs associated with developing software programmes that are considered to be capable of generating future economic benefits are capitalised in the statement of financial position, otherwise they are recognised in profit or loss as incurred. Cost represents staff costs and other expenditures incurred directly attributable to the development of the computer software.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates.

4. MATERIAL ACCOUNTING POLICIES (Cont'd)

(e) Intangible assets (Cont'd)

Software development costs (Cont'd)

Software development costs recognised as assets are stated at cost less accumulated amortisation and any accumulated impairment losses. Software development costs, which are regarded to have finite useful lives are amortised on a straight-line basis over their estimated useful lives of 5 to 10 years. The carrying amount of these costs is reviewed annually and will be written down when its value had deteriorated or when it ceases to have any economic useful life. The policy for the recognition and measurement of impairment loss is in accordance with Note 3(i)(ii).

Club memberships

Club memberships acquired are measured at cost less accumulated amortisation and any accumulated impairment losses.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and on hand, short-term highly liquid investments and fixed deposits with licensed banks that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and comprises the original purchase price and directly attributable costs of bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less all estimated costs of completion and the estimated costs necessary to make the sale.

(h) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

4. MATERIAL ACCOUNTING POLICIES (Cont'd)

(h) Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets.

All financial assets are subject to impairment assessment in accordance with Note 4(i)(i).

Financial liabilities

The category of financial liabilities at initial recognition is as follows:

Amortised cost

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gains or losses on derecognition are also recognised in profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the amounts and they intend either to settle them on a net basis or to realise the asset and liability simultaneously.

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

(a) the amount of the loss allowance; and

(b) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 Revenue from Contracts with Customers.

Liabilities arising from financial guarantees are presented together with other provisions.

4. MATERIAL ACCOUNTING POLICIES (Cont'd)

(h) Financial instruments (Cont'd)

(v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(i) Impairment of assets

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. ECLs are a probability-weighted estimate of credit losses.

Loss allowances of the Group and of the Company are measured on either of the following bases:

(a) 12-month ECLs - represents the ECLs that result from default events that are possible within the next 12 months after the end of the reporting period (or for a shorter period if the expected life of the instrument is less than 12 months); or

(b) Lifetime ECLs - represents the ECLs that will result from all possible default events over the expected life of a financial instrument or contract asset.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

<u>Simplified approach - trade receivables</u>

The Group and the Company apply the simplified approach to provide ECLs for all trade receivables as permitted by MFRS 9. The simplified approach required expected lifetime losses to be recognised from initial recognition of the receivables. The ECLs on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where applicable.

<u>General approach - other financial instruments and financial guarantee contracts</u>

The Group and the Company apply the general approach to provide for ECLs on all other financial instruments and financial guarantee contracts, which requires the loss allowance to be measured at an amount equal to 12-month ECLs at initial recognition.

4. MATERIAL ACCOUNTING POLICIES (Cont'd)

(i) Impairment of assets (Cont'd)

(i) Financial assets (Cont'd)

General approach - other financial instruments and financial guarantee contracts (Cont'd)

At the end of each reporting period, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward looking information, where available.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group and the Company consider the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security (if any is held); or
- The financial asset is more than 1 year past due.

The Group and the Company consider a financial guarantee contract to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditors and the Company in full, without recourse by the Group and the Company to actions such as realising security (if any is held). The Group and the Company only apply a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Credit impaired financial assets

At the end of each reporting period, the Group and the Company assess whether financial assets carried at amortised cost is credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or significant past due event (e.g. being more than 240 days past due);
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider (e.g. the restructuring of a loan or advance by the Group and the Company on terms that the Group and the Company would not consider otherwise);
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for security because of financial difficulties.

4. MATERIAL ACCOUNTING POLICIES (Cont'd)

(i) Impairment of assets (Cont'd)

(i) Financial assets (Cont'd)

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due. Any recoveries made are recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating units is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Except for goodwill, previously recognised impairment losses are assessed at the end of each reporting period whether there is any indication that the loss has decreased or no longer exist. An impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the assets does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for assets in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. An impairment loss recognised for goodwill is not reversed.

(j) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of their liabilities. Ordinary shares are equity instruments.

Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

4. MATERIAL ACCOUNTING POLICIES (Cont'd)

(k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(l) Revenue and other income recognition

(i) Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation ("PO") in the contract with customer and is measured at the consideration specified in the contract of which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns and discounts.

The Group and the Company recognise revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

Depending on the substance of the contract, revenue is recognised when the PO is satisfied, which may be at a point in time or over time. The Group and the Company transfer control of a good or service at a point in time unless one of the following over time criteria is met:

- The customer simultaneously received and consumes the benefits provided as the Group and the Company perform.
- The Group's and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced.
- The Group's and the Company's performance do not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

<u>Software installation, commissioning, support and maintenance services</u>

(a) Software installation and commissioning

The Group provides integrated software solutions to its customers which involve customisation, implementation, data conversion, software design or development, testing and go-live processes. These services are considered as a single PO as they are interdependent on one another and transaction price is based on stand-alone selling price. Revenue is recognised over time when the PO is satisfied over the period of the contract by reference to the progress towards complete satisfaction of the agreed PO stipulated in the contract. Payment is generally due within 30 to 90 days from invoice date.

(b) Support and maintenance services

The Group also offers post-contract support and maintenance services ("S&M") which is an after-sales element included in the contract with customers on the integrated software solutions. Generally, these services include upgrade support and correction of errors (bug fixes or debugging), as well as unspecified upgrades or enhancements towards software previously installed. This S&M contract comprises a single PO and is generally satisfied over the contract period of 12 months. Revenue is recognised over time as the customers simultaneously consumed and received the benefits provided by the Group. Payment is generally due within 30 to 60 days from invoice date.

4. MATERIAL ACCOUNTING POLICIES (Cont'd)

(l) Revenue and other income recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

Solar panel installation services

The Group provides engineering, procurement, construction and commissioning ("EPCC") services in solar energy solution to customers in two categories, namely residential and commercial and industrial (roof-top projects). The Group's EPCC services include system designs and installations, project commissioning to project handover that caters to all types of solar photovoltaic projects. Revenue is recognised over time when the PO is satisfied over the period of the contract by reference to the progress towards complete satisfaction of the agreed PO stipulated in the contract. Payment is generally due within 30 to 60 days from invoice date.

Other related services

Revenue from provision of other services related to the abovementioned revenues comprise sale of hardware, sale of user license and provision of consultancy services.

Revenue from sale of hardware is recognised upon delivery of goods where the control of the goods has been passed to the customers, net of sales and service taxes and discounts. Such revenue is recognised at point in time when control of goods is transferred to the customers.

The Group enters into contract with customers to provide one-off consultancy services. Such contract comprises a single PO and is satisfied at the point in time when such consultancy services are rendered and completed. Payment is generally due within 30 days from invoice date.

Contract liabilities

Contract liabilities are the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customer. The Group's contract liabilities are the excess of the billings to date over the cumulative revenue earned. Contract liabilities are recognised as revenue when the Group performs its obligation under the contract.

Incremental costs of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer arising from the solar panel installation services which it would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as contract cost assets when the Group expects those costs to be recoverable.

Contract costs are amortised over the revenue recognition by reference to the progress towards complete satisfaction of that PO. For contract costs with an amortisation period of less than one year, the Group has elected to apply the practical expedient to recognise as an expense when incurred. Amortisation of contract costs are included as part of "cost of sales" in profit or loss, based on the nature of the related costs, and not under amortisation expenses.

Management fee

The Company provides management services to certain subsidiaries. Revenue is recognised over time as the subsidiaries simultaneously consumed and received the benefits provided by the Company. Payment is generally due within the same financial year.

4. MATERIAL ACCOUNTING POLICIES (Cont'd)

(l) Revenue and other income recognition (Cont'd)

(ii) Rental income

Rental income is recognised on a straight-line basis over the term of relevant lease.

(iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iv) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(m) Employee benefits

(i) Short term employee benefits

Wages, salaries, social security contributions and bonuses are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). The Group's foreign subsidiaries also make contributions to their countries' statutory pension scheme. Such contributions are recognised as an expense as incurred.

(iii) Shared-based payment transactions – Employees' share option scheme ("ESOS")

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase in share option reserve within equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The share option reserve will be transferred to share capital upon exercise, or directly to retained profits upon expiry. The proceeds received, net of any directly attributable transaction costs, are credited to share capital when the options are exercised.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the employee shares options is measured using Black-Scholes Option Pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weightage average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

4. MATERIAL ACCOUNTING POLICIES (Cont'd)

(n) Government grant/assistance

Grants/Assistance from government is recognised when there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants/assistance relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs they are intended to compensate.

Government grant/assistance related to assets are presented in the statements of financial position as deferred revenue and recognised in the profit or loss on a systematic basis over the useful life of the asset.

(o) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. Other borrowing costs i.e. bank and finance charges are recognised as expenses in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation

(p) Income taxes

Current tax

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

4. MATERIAL ACCOUNTING POLICIES (Cont'd)

(p) Income taxes (Cont'd)

Deferred tax (Cont'd)

Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

(q) Leases

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets and lease liabilities are presented as a separate line in the statements of financial position.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment, except for the lease of premise which is depreciated over the lease term of two years.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The Group applies MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss in accordance with Note 3(i)(ii).

The lease liability is initially measured at the present value of the future lease payments at the commencement date, discounted using the Group's incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less. Low value assets are those assets valued at less than RM20,000 each when purchased new.

4. MATERIAL ACCOUNTING POLICIES (Cont'd)

(q) Leases (Cont'd)

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Board of the Directors of the Company, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(s) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group and of the Company.

(t) Related parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:

(i) Has control or joint control over the Group;
(ii) Has significant influence over the Group; or
(iii) Is a member of the key management personnel of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group.
(ii) The entity is an associate or joint venture of the other entity.
(iii) Both entities are joint ventures of the same third party.
(iv) The entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
(vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
(vii) A person identified in (a)(i) above has significant influence over the Group or is a member of the key management personnel of the Group.
(viii) The entity, or any member of a group when it is a part, provides key management personnel services to the Group.

4. MATERIAL ACCOUNTING POLICIES (Cont'd)

(u) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

5. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Freehold land and office lot RM	Motor vehicles RM	Computer equipment RM	Furniture, fittings and office equipment RM	Renovation RM	Capital work-in-progress RM	Total RM
2024							
At Cost							
Balance at beginning	1,038,825	415,164	748,147	513,499	4,437,355	206,034	7,359,024
Addition	-	-	14,961	12,117	-	-	27,078
Revaluation	961,175	-	-	-	-	-	961,175
Elimination on revaluation	-	-	-	-	(15,300)	-	(15,300)
Written off	-	-	(4,850)	(4,652)	-	(156,815)	(166,317)
Reclassification	-	-	-	-	-	(49,219)	(49,219)
Balance at end	2,000,000	415,164	758,258	520,964	4,422,055	-	8,116,441
Accumulated depreciation							
Balance at beginning	101,576	415,162	724,671	491,031	2,060,498	-	3,792,938
Current charge	5,016	-	30,954	9,180	221,103	-	266,253
Elimination on revaluation	(106,592)	-	-	-	(15,299)	-	(121,891)
Written off	-	-	(4,850)	(2,350)	-	-	(7,200)
Balance at end	-	415,162	750,775	497,861	2,266,302	-	3,930,100
Carrying amount	2,000,000	2	7,483	23,103	2,155,753	-	4,186,341
2023							
At Cost							
Balance at beginning	1,038,825	415,164	704,900	495,140	4,437,355	201,837	7,293,221
Addition	-	-	46,946	18,359	-	4,197	69,502
Written off	-	-	(3,699)	-	-	-	(3,699)
Balance at end	1,038,825	415,164	748,147	513,499	4,437,355	206,034	7,359,024
Accumulated depreciation							
Balance at beginning	96,560	415,162	693,026	481,649	1,839,396	-	3,525,793
Current charge	5,016	-	35,344	9,382	221,102	-	270,844
Written off	-	-	(3,699)	-	-	-	(3,699)
Balance at end	101,576	415,162	724,671	491,031	2,060,498	-	3,792,938
Carrying amount	937,249	2	23,476	22,468	2,376,857	206,034	3,566,086

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

GROUP

	Freehold land and office lot RM	Motor vehicles RM	Computer equipment RM	Furniture, fittings and office equipment RM	Renovation RM	Capital work-in-progress RM	Total RM
2022							
At Cost							
Balance at beginning	1,038,825	415,164	677,733	487,450	4,437,355	201,837	7,258,364
Addition	-	-	23,741	6,400	-	-	30,141
Foreign currency translation	-	-	3,426	1,290	-	-	4,716
Balance at end	1,038,825	415,164	704,900	495,140	4,437,355	201,837	7,293,221
Accumulated depreciation							
Balance at beginning	91,543	377,547	670,334	473,101	1,618,293	-	3,230,818
Current charge	5,017	37,615	19,266	7,258	221,103	-	290,259
Foreign currency translation	-	-	3,426	1,290	-	-	4,716
Balance at end	96,560	415,162	693,026	481,649	1,839,396	-	3,525,793
Carrying amount	942,265	2	11,874	13,491	2,597,959	201,837	3,767,428

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

COMPANY

	Computer equipment RM	Furniture and fittings RM	Renovation RM	Total RM
2024				
At Cost				
Balance at beginning	27,917	90,351	4,422,054	4,540,322
Addition	-	-	-	-
Balance at end	27,917	90,351	4,422,054	4,540,322
Accumulated depreciation				
Balance at beginning	27,916	84,060	2,045,201	2,157,177
Current charge	-	1,572	221,103	222,675
Balance at end	27,916	85,632	2,266,304	2,379,852
Carrying amount	1	4,719	2,155,750	2,160,470
2023				
At Cost				
Balance at beginning	27,917	82,491	4,422,054	4,532,462
Addition	-	7,860	-	7,860
Balance at end	27,917	90,351	4,422,054	4,540,322
Accumulated depreciation				
Balance at beginning	27,916	82,489	1,824,098	1,934,503
Current charge	-	1,571	221,103	222,674
Balance at end	27,916	84,060	2,045,201	2,157,177
Carrying amount	1	6,291	2,376,853	2,383,145
2022				
At Cost				
Balance at beginning and at end	27,917	82,491	4,422,054	4,532,462
Accumulated depreciation				
Balance at beginning	27,916	82,489	1,602,995	1,713,400
Current charge	-	-	221,103	221,103
Balance at end	27,916	82,489	1,824,098	1,934,503
Carrying amount	1	2	2,597,956	2,597,959

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(a) The freehold land and office lot of the Group are pledged to a licensed bank for overdraft facility granted to a subsidiary as disclosed in Note 19 to the financial statements.

(b) The Group's motor vehicle with a carrying amount of RM2 (2023: RM2) is registered in the name of a Director, held trust for the Group.

(c) Management has performed the impairment assessment on the Group's and the Company's property, plant and equipment by comparing the carrying amount with their recoverable amount. The recoverable amount of property, plant and equipment is determined based on value-in-use calculations using cash flows projections for a five-year period from the financial forecasts approved by the Directors.

Based on the impairment assessment, the management concluded that no impairment is required.

(d) The Group's freehold land and office lots are stated at their revalued amounts, being the fair values at the date of revaluation, less any subsequent depreciation and subsequent accumulated impairment losses, if any.

The revaluation surplus net of applicable deferred tax was credited to other comprehensive income and are shown as revaluation reserve under the equity.

Land and buildings were revalued in the financial year 2023 by Henry Butcher Malaysia Sdn. Bhd., an independent professional valuer. The Board of Directors have assessed the fair values of the land and buildings by obtaining market value of the comparable properties as at 31 March 2024, based on the assessment, the existing book values of the land and buildings as at 31 March 2024 were not materially different from the assessment performed.

6. INVESTMENT PROPERTIES

	Group		
	2024 RM	2023 (Restated) RM	2022 (Restated) RM
At valuation			
Balance at beginning	750,000	750,000	290,000
Change in fair value recognised in statement of comprehensive income	-	-	460,000
Balance at end	750,000	750,000	750,000
Accumulated depreciation			
Balance at beginning	-	-	6,796
Charge for the financial year	477	477	477
Elimination of accumulated depreciation	(477)	(477)	(7,273)
Balance at end	-	-	-
Carrying amount	750,000	750,000	750,000

The investment property comprises a shop lot and is held to earn rental income and for capital appreciation.

The carrying amounts of the investment properties as at 31 March 2024, 31 March 2023 and 1 April 2022 were based on valuations carried out by Henry Butcher Malaysia Sdn. Bhd.

Fair value is determined primarily based on investment and comparison approaches. The fair value measurements of the investment properties are based on the highest and best use, which do not differ from their actual use.

6. INVESTMENT PROPERTIES (Cont'd)

The following are the operating income and expenses in respect of the investment property:

	Group		
	2024 RM	2023 (Restated) RM	2022 (Restated) RM
Rental income	26,400	24,600	6,000
Direct operating expense (income generating)	6,041	5,905	1,327
Direct operating expense (non-income generating)	-	-	3,981

The fair value of the investment property is categorised at Level 3 of the fair value hierarchy.

7. INVESTMENT IN SUBSIDIARIES

	Company		
	2024 RM	2023 RM	2022 RM
Unquoted shares, at cost			
Balance at beginning	9,196,815	8,656,815	8,656,815
Addition	-	540,000	-
Written off	(1,314,404)	-	-
Balance at end	7,882,411	9,196,815	8,656,815
Capital contribution to subsidiaries			
Balance at beginning	10,362,800	10,947,039	10,804,000
Additions	-	-	540,000
Repayment	(527,948)	(584,239)	(396,961)
Balance at end	9,834,852	10,362,800	10,947,039
Allocated ESOS charge in respect of share options granted to the employees of the subsidiaries	-	-	124,968
	17,717,263	19,559,615	19,728,822
Accumulated impairment loss			
Balance at beginning	11,649,012	11,049,012	7,596,012
Additions	-	600,000	3,453,000
Written off	(1,314,404)	-	-
Balance at end	10,334,608	11,649,012	11,049,012
	7,382,655	7,910,603	8,679,810

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries are as follows:

Name	Principal place of business	Ownership Interest 2024 %	2023 %	2022 %	Principal activities
Ygl Convergence Malaysia Sdn. Bhd.	Malaysia	100	100	100	Marketing and distribution of computer software and hardware & the provision of professional services.
Ygl Multimedia Resources Sdn. Bhd.	Malaysia	100	100	100	Developing and selling of software systems.
Ygl Convergence (HK) Limited [2]	Hong Kong	100	100	100	Trading of computer equipment and software and provision of related services.
Ygl Convergence (Asia Pacific) Pte Ltd.	Singapore	-	60	60	Provision of software and consultancy and computer systems integrated services.
Ygl Technologies Sdn. Bhd.	Malaysia	55	55	55	Provision of computer, automation solution and electronic commerce services.
Ygl Technologies Pte. Ltd. [1]	Singapore	100	100	100	Provision of software and related services.
Ns Infotech Sdn. Bhd.	Malaysia	80	80	80	Dormant.
Ygl Intelligent Technology Sdn. Bhd.	Malaysia	100	100	100	Provision of software consultancy and implementation services.
Ai Solar Sdn. Bhd.	Malaysia	75	94	60	Provision of solar panel installation services which include engineering, procurement, construction and commissioning services in solar energy solution to customers and the provision of its related services.

[1] Audited by overseas affiliate of Chengco PLT.
[2] Not audited by Chengco PLT.

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

(a) Capital contribution

The capital contribution is in relation to advances to certain subsidiaries that are not expected to be repaid in foreseeable future and in substance, represents additional investments into the subsidiaries by the Company.

(b) Strike off of Ygl Convergence (Asia Pacific) Pte.Ltd.

During the financial year, Ygl Convergence (Asia pacific) Pte.Ltd. was struck off from Register of Accounting and Corporate Regulatory Authority ("ACRA") of Singapore under Section 344A (3) of the Companies Act, 1969 ("the Act") and the subsidiary company was duly dissolved under the Act on 4 September 2023. The dissolution did not have material financial impact on the Group for the financial year ended 31 March 2024.

(c) Non-controlling interests ("NCI")

The subsidiaries of the Group, namely Ygl Convergence (Asia Pacific) Pte. Ltd. ("Ygl AP") and Ai Solar Sdn. Bhd. ("Ai Solar") have material NCI as follows:

	2024		2023		2022	
	Ygl AP	Ai Solar	Ygl AP	Ai Solar	Ygl AP	Ai Solar
NCI percentage of ownership and voting interest	0%	25%	40%	6%	40%	40%
Carrying amount of NCI (RM)	-	22,865	(266,566)	(174,502)	(259,973)	(150,056)
Profit/(loss) allocated to NCI (RM)	-	197,367	(6,593)	(24,446)	(284)	(166,466)
Total comprehensive income/(loss) allocated to NCI (RM)	-	197,367	(6,593)	(24,446)	(2,090)	(166,466)

The summarised financial information before intragroup elimination are as follows:

	2024		2023		2022	
	Ygl AP RM	Ai Solar RM	Ygl AP RM	Ai Solar RM	Ygl AP RM	Ai Solar RM
Asset and liabilities:						
Non-current assets	-	6,994	-	11,113	-	7,599
Current assets	-	4,286,023	38,785	1,905,166	59,951	2,979,960
Non-current liabilities	-	(24,498)	-	(17,782)	-	(98,465)
Current liabilities	-	(3,577,317)	(705,201)	(2,701,768)	(709,883)	(3,264,233)
Net (liabilities)/ assets	-	691,202	(666,416)	(803,271)	(649,932)	(375,139)

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

(c) Non-controlling interests ("NCI") (Cont'd)

The summarised financial information before intragroup elimination are as follows: (Cont'd)

	2024		2023		2022	
	Ygl AP RM	Ai Solar RM	Ygl AP RM	Ai Solar RM	Ygl AP RM	Ai Solar RM
Results:						
Revenue	-	6,043,599	-	6,606,733	-	8,274,775
Net profit/(loss) for the financial year	-	789,470	(16,484)	(428,132)	(710)	(416,165)
Total comprehensive income/(loss) for the financial year	-	789,470	(16,484)	(428,132)	(5,226)	(416,165)
Cash flows:						
Net cash used in:						
Operating activities	-	3,011,557	(16,316)	(293,315)	(957)	(1,116,020)
Investing activities	-	102,232	-	46,953	-	(11,899)
Financing activities	-	(1,266,895)	3,232	250,279	-	1,450,600
Net (decrease)/increase in cash and bank balances	-	1,846,894	(13,084)	3,917	(957)	322,681

8. INVESTMENT IN AN ASSOCIATE

	Group		
	2024 RM	2023 RM	2022 RM
Unquoted shares, at cost	1,475,000	1,475,000	1,475,000
Accumulated impairment loss			
Balance at beginning	-	-	-
Reversal	-	-	-
Balance at end	-	-	-
Share of post-acquisition results			
Balance at beginning	593,366	531,624	248,978
Additions	(47,458)	61,742	282,646
Balance at end	545,908	593,366	531,624
	2,020,908	2,068,366	2,006,624

	Company		
	2024 RM	2023 RM	2022 RM
Unquoted shares, at cost	1,475,000	1,475,000	1,475,000
Accumulated impairment loss			
Balance at beginning	-	-	-
Reversal	-	-	-
Balance at end	-	-	-
Share of post-acquisition results			
Balance at beginning	-	-	-
Additions	-	-	-
Balance at end	-	-	-
	1,475,000	1,475,000	1,475,000

8. INVESTMENT IN AN ASSOCIATE (Cont'd)

Details of the associate are as follows:

Name of associate	Country of incorporation	Effective equity interest 2024 %	2023 %	2022 %	Principal activities
Ygl iBay International Sdn. Bhd.	Malaysia	9.60	9.60	9.60	Investment holding and in the business of iron ore and other related commodities supply chain

The financial year end of the associates is 31 December. However, the associate has prepared the financial statement as of the same date of the Company for the purpose of applying equity method of accounting. Appropriate adjustments have been made to account for significant transactions from the associate's financial year to 31 March, which is coterminous with the financial year end of the Group.

The Group does not have any share of the associate's contingent liabilities incurred jointly with other investors or any share of contingent liabilities that arises whereby the Group is severally liable for all or part of the liabilities of the associate.

The summarised financial information of the associate are as follows:

	2024 RM	2023 RM	2022 RM
Assets and liabilities			
Non-current assets	17,426,033	17,630,703	23,204,230
Current asset	54,109,362	26,336,446	18,724,372
Non-current liabilities	(145,626)	-	(105,320)
Current liabilities	(54,000,552)	(22,421,670)	(20,920,936)
Net assets	17,389,217	21,545,479	20,902,346

	2024 RM	2023 RM	2022 RM
Results for the financial year			
Revenue	189,781,157	61,601,316	20,239,447
Net profit for the finanial year	(494,209)	643,146	2,859,203
Other comprehensive (loss)/profit	(1,523,054)	-	85,034
Total comprehensive (loss)/profit	(2,017,263)	643,146	2,944,237

9. INTANGIBLE ASSETS

Group

	Software development costs RM	Goodwill RM	Club membership RM	Total RM
2024				
At cost				
Balance at beginning	24,065,132	1,319,283	50,000	25,434,415
Additions	830,076	-	-	830,076
Written off	-	-	-	-
Balance at end	24,895,208	1,319,283	50,000	26,264,491
Accumulated depreciation				
Balance at beginning	21,697,771	-	18,188	21,715,959
Current charge	1,183,111	-	1,616	1,184,727
Written off	-	-	-	-
Balance at end	22,880,882	-	19,804	22,900,686
Accumulated impairment loss				
Balance at beginning	-	1,234,146	2,000	1,236,146
Written off	-	-	-	-
Balance at end	-	1,234,146	2,000	1,236,146
Carrying amount	2,014,326	85,137	28,196	2,127,659
2023				
At cost				
Balance at beginning	23,667,960	1,319,283	50,000	25,037,243
Additions	1,039,197	-	-	1,039,197
Written off	(642,025)	-	-	(642,025)
Balance at end	24,065,132	1,319,283	50,000	25,434,415
Accumulated depreciation				
Balance at beginning	20,909,847	-	16,572	20,926,419
Current charge	1,364,721	-	1,616	1,366,337
Written off	(576,797)	-	-	(576,797)
Balance at end	21,697,771	-	18,188	21,715,959
Accumulated impairment loss				
Balance at beginning	65,228	1,234,146	2,000	1,301,374
Written off	(65,228)	-	-	(65,228)
Balance at end	-	1,234,146	2,000	1,236,146
Carrying amount	2,367,361	85,137	29,812	2,482,310

9. INTANGIBLE ASSETS (Cont'd)

Group

	Software development costs RM	Goodwill RM	Club membership RM	Total RM
2022				
At cost				
Balance at beginning	22,351,876	1,319,283	50,000	23,721,159
Additions	1,311,619	-	-	1,311,619
Foreign currency translation	4,465	-	-	4,465
Balance at end	23,667,960	1,319,283	50,000	25,037,243
Accumulated depreciation				
Balance at beginning	19,393,646	-	14,956	19,408,602
Current charge	1,512,371	-	1,616	1,513,987
Foreign currency translation	3,830	-	-	3,830
Balance at end	20,909,847	-	16,572	20,926,419
Accumulated impairment loss				
Balance at beginning	64,775	1,234,146	2,000	1,300,921
Foreign currency translation	453	-	-	453
Balance at end	65,228	1,234,146	2,000	1,301,374
Carrying amount	2,692,885	85,137	31,428	2,809,450

(a) Software development costs

Additions for the financial year include the following:

	2024 RM	2023 RM	2022 RM
Purchase of software	-	-	90,000
Capitalised from profit or loss:			
Employee benefits expense (Note 19b)	812,076	1,015,197	1,197,619
Rental of premise	18,000	24,000	24,000
	830,076	1,039,197	1,311,619

The amortisation and impairment of software development costs are included in cost of sales and general and administrative expenses respectively.

9. INTANGIBLE ASSETS (Cont'd)

(b) Goodwill

For the purpose of impairment test, goodwill acquired in a business combination is allocated, at acquisition date, to the cash-generating units ("CGUs") that are expected to benefit from the business combinations. The Group considers each subsidiary acquired as a single CGU and the carrying amounts of goodwill were allocated to the respective subsidiaries.

As at 31 March 2023 and 31 March 2024, the remaining carrying amount of goodwill has been allocated to two individual CGUs, namely Ai Solar Sdn. Bhd. (RM84,982) and Ygl Technology Sdn. Bhd. (RM155).

The recoverable amounts of the CGUs for both the current financial year and previous financial year were derive based on value-in-use calculations. The value-in-use calculations were determined using projected cash flows for a five-year period and by extrapolation using the growth rate based on historical experience, management's assessment of future trends, expectation of market development in the respective industries, as well as considering the impact of Covid-19 pandemic.

The key assumptions used in the preparation of the projected cash flows are as follows:

i. Budgeted gross margin

The budgeted gross margin is determined based on the margin achieved in the year immediately before the budgeted year and is increased by growth rate to cater for expected improvements in efficiency.

ii. Growth rate

The weighted average growth rate used is consistent with the long-term average growth rate for the industry

iii. Pre-tax discount rate

The pre-tax discount rate of 9.95% (2023:9.95; 2022: 9.28%) is applied to the calculations in determining the recoverable amount of the CGUs. The discount rate used is based on the weighted average cost of capital of the Company.

Sensitivity to changes and assumptions

Based on the sensitivity analysis performed with regard to the assessment of value-in-use, the Directors believe that no reasonable possible changes in any of the above key assumptions would cause the carrying amounts of the respective CGUs to materially exceed their recoverable amounts for the current and previous financial year. As a result of the analysis, management did not identify an impairment for the CGUs.

(c) Club memberships

The club memberships are amortised over the membership tenure of 24 years and 38 years. The amortisation is included in general and administrative expenses.

10. INVENTORIES

Group

Inventories comprise purchased materials for its provision of solar panel installation services and are stated at cost.

During the financial year, the inventories recognised in profit or loss as cost of sales is RM4,174,194 (2023: RM5,515,856).

11. TRADE AND OTHER RECEIVABLES

	Note	Group		
		2024 RM	2023 RM	2022 RM
Trade	(a)			
Gross amount		2,340,569	3,072,290	4,478,950
Allowance for impairment loss		(256,241)	(690,682)	(539,863)
Trade receivables, net		2,084,328	2,381,608	3,939,087
Non-trade				
Third parties		32,449	17,140	15,407
Related parties	(b)	8,488	5,458	5,754
Refundable deposits		57,063	40,495	38,477
Prepayment		49,825	63,990	128,967
Director		1,000	-	-
Contract costs	(c)	423,243	87,610	461,897
		572,068	214,693	650,502
		2,656,396	2,596,301	4,589,589

	Note	Company		
		2024 RM	2023 (Restated) RM	2022 (Restated) RM
Trade	(a)			
Gross amount		-	-	-
Allowance for impairment loss		-	-	-
Trade receivables, net		-	-	-
Non-trade				
Related parties	(b)	3,928	5,356	5,173
Refundable deposits		10,000	10,000	10,000
Prepayment		1,077	1,077	129
		15,005	16,433	15,302
		15,005	16,433	15,302

11. TRADE AND OTHER RECEIVABLES (Cont'd)

(a) Trade receivables are non-interest bearing and are generally on 30 to 90 days credit terms (2023 and 2022: 30 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The movement in impairment loss during the financial year were:

	Group		
	2024 RM	2023 RM	2022 RM
Balance at beginning	690,682	539,863	1,816,656
Additions	148,561	151,275	85,342
Reversal due to recovered	(340,499)	-	(6,360)
Written off	(242,503)	(16,201)	(1,357,464)
Foreign currency translation	-	15,745	1,689
Balance at end	256,241	690,682	539,863

(b) Related parties refer to companies in which certain Directors of the Group and of the Company have substantial financial interests. The amount relates to cost sharing which is unsecured and non-interest bearing. The credit term granted to the related parties is 30 days (2023: 30 days).

(c) The contract costs represent the capitalised incremental costs to obtain a contract in relation to the Group's provision of solar panel installation services. These costs are subsequently expensed off as cost of sales by reference to the performance completed to date, consistent with the revenue recognition.

During the financial year, the total costs to obtain contracts recognised by the Group as cost of sales in profit or loss amounted to RM3,619,020 (2023: RM5,804,057).

12. AMOUNT DUE FROM/TO SUBSIDIARIES

	Company		
	2024 RM	2023 RM	2022 RM
Due from			
Interest bearing at 7.15 % per annum	480,067	427,794	-
Non-interest bearing	31,272	1,785	1,388
	511,339	429,579	1,388
Due to			
Non-interest bearing	-	-	1,735

These amounts are non-trade in nature, unsecured, interest free and repayable on demand.

13. CASH AND BANK BALANCES

	Group		
	2024 RM	2023 RM	2022 RM
Fixed deposit	1,140,823	1,024,032	1,004,285
Short term investment	2,733,340	629,500	1,002,721
Cash on hand and at banks	4,784,470	2,236,157	1,512,596
	8,658,633	3,889,689	3,519,602

	Company		
	2024 RM	2023 RM	2022 RM
Fixed deposit	1,052,224	1,024,032	1,004,285
Short term investment	2,733,340	629,500	1,002,721
Cash on hand and at banks	248,240	206,762	326,850
	4,033,804	1,860,294	2,333,856

The Group's fixed deposit with a licensed bank is pledged as security for banking facilities granted to a subsidiary as disclosed in Note 19 to the financial statements. The effective interest rate of the fixed deposit is from the range of 2.50% to 2.75% (2023:2.70%) per annum and having maturity period within one year.

Short term investment represents investment in money market fund managed by a licensed financial institution, which is tax exempted and allows prompt redemption at any time.

14. SHARE CAPITAL

	Number of shares		
	2024 Unit	2023 Unit	2022 Unit
Issued and fully paid			
Balance at beginning	255,514,540	255,514,540	255,514,540
Allotment of shares	16,200,000	-	-
Balance at end	271,714,540	255,514,540	255,514,540

	Amount		
	2024 RM	2023 RM	2022 RM
Issued and fully paid			
Balance at beginning	30,400,368	30,400,368	30,400,368
Allotment of shares	2,075,220	-	-
Reduction of share capital	(21,000,000)	-	-
Balance at end	11,475,588	30,400,368	30,400,368

14. SHARE CAPITAL (Cont'd)

During the financial year, the Group increased its ordinary share capital by way of issuance of 16,200,000 new ordinary shares of RM0.13 each.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

15. OTHER RESERVES

	Note	Group 2024 RM	Group 2023 RM	Group 2022 RM
Non-distributable reserve				
Exchange translation reserve	(a)	893,380	123,345	738,165
ESOS reserve	(b)	231,093	280,043	294,229
		1,124,473	403,388	1,032,394

	Note	Company 2024 RM	Company 2023 RM	Company 2022 RM
Non-distributable reserve				
Exchange translation reserve	(a)	-	-	-
ESOS reserve	(b)	231,093	280,043	294,229
		231,093	280,043	294,229

(a) Exchange translation reserve

This reserve is in respect of foreign exchange differences on translation of the financial statements of the Group's foreign subsidiaries.

(b) ESOS reserve

The fair value of equity-settled share options granted was estimated using Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

The expected life of the option is based on historical date and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the options granted were incorporated into the measurement of fair value.

The Company's ESOS is governed by the By-Laws approved by the shareholders at the Extraordinary General Meeting held on 27 May 2017. The ESOS came into effect on 6 November 2017 and will be in force for a duration of 5 years, expiring on 5 November 2022. On 31 March 2021, the Directors have extended the ESOS for a further period of 5 years from 6 November 2022 to 5 November 2027 in accordance with terms of the By-Laws.

15. OTHER RESERVES (Cont'd)

(b) ESOS reserve (Cont'd)

The salient features of the ESOS are as follows:

(i) The total number of new ordinary shares which are available to be issued under the ESOS shall not in aggregate exceed thirty percent (30%) of the total issued and fully paid-up share capital (excluding treasury shares, if any) of the Company at any point in time during the duration of the scheme.

(ii) A person shall be eligible to participate in the ESOS if, as at the date of offer, has attained the age of at least eighteen (18) years old; not be an undischarged bankrupt nor subject to any bankruptcy proceedings; be a Director of the Group or be a full-time employee confirmed in service and served at least six continuous months within the Group and has not served a notice to resign prior to the date of offer ("Eligible Person"). Eligibility to participate in the scheme does not confer on an Eligible Person a claim or right to participate in the scheme unless the ESOS Committee has made an offer and the Eligible Person has accepted the offer in accordance with the terms of the offer and the scheme. The selection of any Eligible Person to participate in the scheme shall be at the discretion of the ESOS Committee.

(iii) At the Directors' absolute discretion, upon recommendation of the ESOS Committee, the scheme may be extended for a further five (5) years or such shorter period from the expiry of the first five (5) years, without any approval from the shareholders of the Company in a general meeting.

(iv) The option price at which the grantee is entitled to subscribe for each new ordinary share shall be fixed based on the five (5) day volume weighted average market price of the Company's shares, as quoted on Bursa Malaysia Securities Berhad, immediately preceding the offer date with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities.

(v) The new ordinary shares to be allocated and issued upon any exercises of the option will, upon such allotment and issuance, rank pari passu in all respects with the then existing issued and fully paid-up shares of the Company, except that the new ordinary shares so allotted and issued will not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date precedes the date of allotment of the new ordinary shares.

(vi) The new ordinary shares allotted and issued pursuant to the exercise of an ESOS option will not be subjected to any retention period or restriction on transfer. However, an eligible Director who is a non-executive Director in the Group shall not sell, transfer or assign the Company's shares obtained through the exercise of the ESOS options granted to him within one (1) year from the offer date.

15. OTHER RESERVES (Cont'd)

(b) ESOS reserve (Cont'd)

Movement of share options during the financial year

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

	2024 Number of share option unit	WAEP RM	2023 Number of share option unit	WAEP RM	2022 Number of share option unit	WAEP RM
Batch 1						
Grant date	6 November 2017		6 November 2017		6 November 2017	
Balance at beginning	1,007,000	0.16	1,007,000	0.16	1,178,000	0.16
Lapsed due to resignation	(335,000)	0.16	-	0.16	(171,000)	0.16
Balance at end	672,000	0.16	1,007,000	0.16	1,007,000	0.16
Batch 2						
Grant date	21 April 2022		21 April 2022		21 April 2022	
Balance at beginning	1,110,000	0.19	1,215,000	0.19	1,215,000	0.19
Lapsed due to resignation	(35,000)		(105,000)		-	
Balance at end	1,075,000		1,110,000		1,215,000	

Fair value of share options granted

The fair values of the share options granted were estimated at the grant date using the Black-Scholes model, taking into account the terms and conditions upon which the share options were granted.

The table below lists the inputs to the Black-Scholes model for the ESOS granted:

	6.11.2017	21.4.2022
Fair value (RM)	0.129	0.135
Expected volatility (%)	85.31	62.66
Risk-free interest rate (% p.a.)	3.76	2.95
Dividend yield (%)	-	-
Expected life of option (years)	5	6.55
Weighted average share price (RM)	0.18	0.21

The expected life of the options is based on historical date and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

16. DEFERRED TAX LIABILITY

	Group		
	2024 RM	2023 RM	2022 RM
Balance at beginning	-	-	-
Transferred from other comprehensive income	106,776	-	-
Balance at end	106,776	-	-

The balance in deferred tax liabilities is made up of temporary differences arising from:

	Group		
	2024 RM	2023 RM	2022 RM
Revaluation of freehold land and office lot	106,776	-	-

17. CONTRACT LIABILTIES

	Group		
	2024 RM	2023 RM	2022 RM
Current			
- software installation, commissioning, post-contract support and maintenance servies	860,714	1,377,848	877,928
- solar panel installation services	195,293	134,656	479,463
	1,056,007	1,512,504	1,357,391
Non-current			
- solar panel installation services	24,498	17,782	98,465
	1,080,505	1,530,286	1,455,856

For software implementation services, the contract liabilities comprise advance billings or payments received before work is performed which are to be provided to customers and will be recognised as revenue when performance obligations are satisfied over the next 12 months.

For solar panel installation services, the contract liabilities comprise advance billings or payments received before work is performed as well as service-type warranty which are to be provided to customers and will be recognised as revenue when performance obligations are satisfied over several financial years as follows:

	2025 RM	2026 RM	2027 RM	2028 RM	2029 RM	More than 5 years RM	Total RM
2024	195,293	10,157	1,340	2,760	2,461	7,780	219,791

18. TRADE, OTHER PAYABLES AND ACCRUALS

	Note	Group 2024 RM	Group 2023 RM	Group 2022 RM	Company 2024 RM	Company 2023 RM	Company 2022 RM
Trade							
Third parties	(a)	2,745,639	286,990	811,223	-	-	-
Non-trade							
Third parties		204,251	879,890	374,073	2,948	5,214	293
Accruals		248,995	217,542	379,584	76,791	48,142	52,823
Director	(b)	492,096	592,096	592,096	-	-	-
Related party	(c)	-	-	-	-	256	-
Refundable deposits	(d)	93,661	8,500	30,695	-	-	-
		1,039,003	1,698,028	1,376,448	79,739	53,612	53,116
		3,784,642	1,985,018	2,187,671	79,739	53,612	53,116

(a) The normal trade credit term granted to the Group range from 30 to 90 days (2023 and 2022: 30 to 90 days) depending on the terms of the contracts.

(b) The amount is unsecured, non-interest bearing and is repayable on demand.

(c) The related party of the Group and of the Company refers to a company in which certain Directors of the Company have substantial financial interests. It was unsecured, non-interest bearing and was normally settled within 30 days credit term.

(d) These deposits are in relation to the Group's solar panel installation services and are refundable to the customers should the application to Sustainable Energy Development Authority ("SEDA") be rejected, net of any cost incurred to date. Upon obtaining approval from SEDA, the amount will be recognised as revenue.

19. BANK BORROWINGS

	Group 2024 RM	Group 2023 RM	Group 2022 RM
Secured			
Bank overdraft	1,036,620	1,198,828	1,169,964
Trust receipts	-	500,789	90,542
	1,036,620	1,699,617	1,260,506

19. BANK BORROWINGS (Cont'd)

The effective interest rates per annum of the borrowings as at the end of the reporting period are as follows:

	Group		
	2024 %	2023 %	2022 %
Secured			
Bank overdraft	10.40	10.40	10.00
Trust receipts	-	7.90	6.65

The borrowings are secured by way of:

(i) The facility agreement,
(ii) Pledged of the Group's freehold land and office lot (Note 5),
(iii) Joint and several guaranteed by certain Directors of the company,
(iv) Corporate guarantee by the Company, and
(v) Pledged of the Company's fixed deposit (Note 13).

20. REVENUE

	Group		
	2024 RM	2023 RM	2022 RM
Software implementation services:			
- Sale of user license	39,326	28,858	6,934
- Consultancy services	9,978	20,204	46,711
- Software installation, commissioning, post-contract support and maintenance services	5,615,603	5,053,469	5,410,273
Solar panel installation services	6,043,599	6,606,733	8,274,775
Sale of hardware	113,720	123,153	113,855
	11,822,226	11,832,417	13,852,548

	Company		
	2024 RM	2023 RM	2022 RM
Management fees	10,000	10,000	10,000

20. REVENUE (Cont'd)

Disaggregation of revenue

	Group		
	2024 RM	**2023 RM**	**2022 RM**
Primary geographical markets			
- Malaysia	10,009,646	10,309,887	12,226,554
- Hong Kong	1,812,580	1,522,530	1,620,188
- Singapore	-	-	5,806
	11,822,226	11,832,417	13,852,548
Timing of recognition			
At a point in time	163,024	172,215	167,500
Over time	11,659,202	11,660,202	13,685,048
	11,822,226	11,832,417	13,852,548

	Company		
	2024 RM	**2023 RM**	**2022 RM**
Primary geographical markets			
- Malaysia	10,000	10,000	10,000
Timing of recognition			
Over time	10,000	10,000	10,000

21. LOSS BEFORE TAX

This arrived at after charging/(crediting):

		Group			Company		
	Note	2024 RM	2023 (Restated) RM	2022 (Restated) RM	2024 RM	2023 RM	2022 RM
Amortisation of intangible assets		1,184,727	1,366,337	1,513,987	-	-	-
Auditors' remuneration:							
- Statutory audit							
- Company's auditors							
- Current year		87,500	91,500	93,000	41,000	41,000	43,000
- Prior year		-	-	(800)	-	-	-
- affiliated auditors		6,912	6,491	26,818	-	-	-
- other auditors		35,653	25,559	17,340	-	-	-
- Non-audit services							
- Company's auditors		5,000	5,000	4,000	-	5,000	4,000
Bad debts		-	-	138	-	-	-
Depreciation							
- property, plant and equipment		266,253	270,844	290,259	222,675	222,674	221,103
- investment property		477	477	477	-	-	-
Directors' remuneration	(a)	457,701	451,106	814,369	-	-	129,179
Employee benefits expenses	(b)	3,277,298	3,171,992	2,963,333	-	-	-

21. LOSS BEFORE TAX (Cont'd)

This arrived at after charging/(crediting): (Cont'd)

	Note	Group 2024 RM	Group 2023 (Restated) RM	Group 2022 (Restated) RM	Company 2024 RM	Company 2023 RM	Company 2022 RM
Expenses related to leases as a lessee:							
- Total cash outflows							
- leases of low value assets		6,849	5,484	5,590	-	-	-
- short term leases	(c)	98,692	108,741	124,606	-	-	-
Impairment losses:							
- investment in subsidiaries		-	-	-	-	600,000	3,453,000
- trade receivables		148,561	151,275	85,342	-	-	-
Interest expenses:							
- bank overdraft		63,413	48,977	40,183	-	-	-
- trust receipt		2,132	26,264	7,921	-	-	-
Interest income:							
- amount due from subsidiaries		-	-	-	(32,073)	(2,610)	(10,300)
- others		-	-	(5,541)	(29,474)	(19,854)	(4,525)
Dividen income		(44,389)	(26,964)	(28,767)	(44,389)	(26,964)	(28,767)
Other income		(31,020)	-	-	-	(31)	-
Realised loss/(gain) on foreign exchange		(17,281)	55,594	11,446	(4)	(16)	(88)
Rental income:							
- investment property		(26,400)	(24,600)	(6,000)	-	-	-
- others		(45,600)	(42,300)	(38,500)	-	-	-
Reversal of impairment loss:							
- trade receivables		(340,499)	-	(6,360)	-	-	-
- investment in subsidiaries		-	-	-	(1,314,404)	-	-
Written off:							
- investment in subsidiaries		-	-	-	1,314,404	-	-
- trade receivables		(242,503)	-	-	-	-	-
Unrealised (gain)/loss on foreign exchange		(304)	2,388	21,016	-	-	-
Wage subsidy/Hiring incentive		-	9,500	(66,800)	-	-	-

21. LOSS BEFORE TAX (Cont'd)

(a) Directors' remuneration

	Group		
	2024 RM	2023 RM	2022 RM
Directors of the company			
Fee	98,000	75,000	90,000
Salary and bonus	287,500	336,000	350,000
Share-based payment transactions	48,951	14,186	39,179
Contribution to defined contribution plan	23,250	25,920	37,800
	457,701	451,106	516,979
Directors of a subsidiary			
Salary	-	-	266,169
Contribution to defined contribution plan	-	-	31,221
	-	-	297,390
	457,701	451,106	814,369

	Company		
	2024 RM	2023 RM	2022 RM
Directors of the company			
Fee	80,000	75,000	90,000
Share-based payment transactions	-	-	39,179
	80,000	75,000	129,179

(b) Employee benefit expense

	Group		
	2024 RM	2023 RM	2022 RM
Salary, wages, allowances and bonus	3,595,524	3,671,294	3,557,052
Share-based payment transactions	-	-	124,967
Contributions to defined contribution plan	384,011	407,006	377,034
Other staff related benefits	109,839	108,889	101,899
	4,089,374	4,187,189	4,160,952
Less: Capitalised as software development costs (Note 8a)	(812,076)	(1,015,197)	(1,197,619)
	3,277,298	3,171,992	2,963,333

21. LOSS BEFORE TAX (Cont'd)

(c) Lease expenses

	Group		
	2024 RM	2023 RM	2022 RM
Short-term lease	116,692	132,741	148,606
Less: Capitalised as software development costs	(18,000)	(24,000)	(24,000)
	98,692	108,741	124,606

22. TAX EXPENSES

(a) *Major components of tax expenses*

	Group			Company		
	2024 RM	2023 RM	2022 RM	2024 RM	2023 RM	2022 RM
Malaysian income tax:						
Income tax						
- Current year	(223,699)	(20,583)	(34,741)	-	-	-
- Over provision in prior year	2,342	393	14,602	-	-	-
	(221,357)	(20,190)	(20,139)	-	-	-

Domestic income tax is calculated at the Malaysian statutory rate of 24% of the estimated assessable profit or loss for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

22. TAX EXPENSES (Cont'd)

(b) *Relationship between tax expenses and accounting loss*

Reconciliation between income tax expenses and the product of accounting loss multiplied by the statutory tax rate is as follows:

	Group			Company		
	2024 RM	2023 (Restated) RM	2022 (Restated) RM	2024 RM	2023 RM	2022 RM
Profit/(loss) before tax	661,710	(1,334,767)	241,999	(597,128)	(1,007,022)	(3,903,931)
Income tax at Malaysian statutory tax rate of 24%	(158,810)	320,344	(58,080)	143,311	241,685	936,943
Different tax rates in foreign jurisdictions	-	-	29,090	-	-	-
Tax effects on share of results of associates	11,390	(14,818)	(65,876)	-	-	-
Non-taxable income	97,771	21,620	120,846	10,653	6,471	6,904
Expenses not deductible for tax purposes	(301,062)	(183,212)	(218,921)	(153,964)	(248,156)	(943,747)
Utilisation of previously unrecognised tax losses, capital allowances and pioneer loss	230,882	47,325	139,700	-	-	-
Deferred tax assets not recognised	(103,870)	(211,842)	18,500	-	-	(100)
Over provision in prior year	2,342	393	14,602			
	(221,357)	(20,190)	(20,139)	-	-	-

22. TAX EXPENSES (Cont'd)

(b) *Relationship between tax expenses and accounting loss (Cont'd)*

The amount and future availability of unutilised tax losses, capital allowances and pioneer loss for which the related tax effect has not been accounted for at the end of the reporting period are estimated as follows:

	Group			Company		
	2024 RM	2023 (Restated) RM	2022 (Restated) RM	2024 RM	2023 (Restated) RM	2022 (Restated) RM
Unutilised tax losses	(31,273,382)	29,404,000	30,145,000	366	823	823
Unutilised capital allowances	375,267	372,000	337,000	177	177	177
Unutilised pioneer loss	1,122,685	1,363,000	1,363,000	-	-	-

The availability of tax losses and pioneer loss will be subject to the Inland Revenue Board's discretion and approval to offset against future taxable profit.

A subsidiary has been granted pioneer status in principle by the Ministry of International Trade and Industry ("MITI") under the Promotion of Investments Act 1986 which exempts 100% of the statutory income of the subsidiary from Malaysian taxation for a period of five years commencing from 28 June 2013 which was further extended to another 5 years, expiring 27 June 2023.

As announced in the Malaysian Budget 2022, the unutilised tax losses will be allowed to be carried forward for 10 consecutive years of assessment ("YA") (previously 7 YAs) deemed to be effective from YA 2019.

Deferred tax assets have not been recognised in respect of these items as it is not probable that the future taxable profit of the company will be available against which the deductible temporary differences can be utilised.

	Group			Company		
	2024 RM	2023 (Restated) RM	2022 (Restated) RM	2024 RM	2023 RM	2022 RM
Property, plant and equipment	50,116	50,000	22,100	-	-	100
Unutilised tax losses	(7,504,788)	(7,057,000)	(7,234,880)	-	-	-
Unutilised capital allowances	(88,875)	(88,670)	(80,800)	-	-	(200)
Unutilised pioneer loss	(269,444)	(327,120)	(327,120)	-	-	-
Contract liabilities	(232,307)	(260,593)	(227,200)	-	-	-
	(8,045,298)	(7,683,383)	(7,847,900)	-	-	(100)

23. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The basic earnings/(loss) per share are calculated based on the consolidated loss for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group		
	2024 RM	2023 RM	2022 RM
Profit/(loss) after tax attributable to the owners of the Company (RM)	251,324	(1,324,271)	389,705
Weighted average number of shares			
Issued shares at beginning of the financial year	271,714,540	255,514,540	255,514,540
Basic earnings/(loss) per share (sen)	0.09	(0.52)	0.15

(b) Diluted earnings/(loss) per share

The Group has no dilution in their earnings/(loss) per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

	Group		
	2024 RM	2023 (Restated) RM	2022 (Restated) RM
Loss after tax attributable to the owners of the Company (RM)	251,324	(1,324,271)	389,705
Weighted average number of shares	271,714,540	255,514,540	255,514,540
Effect of ESOS	-	705,667	733,643
	271,714,540	256,220,207	256,248,183
Diluted loss per share (sen)	-	(0.52)	0.15

24. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. The primary format and business segments are based on the reports reviewed and used by the Directors for strategic decisions making and resources allocation. Transactions between segments were entered into in the normal course of business and were established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segment

The Group's reportable segments are now organised as follows:

(i)	Software implementation	Provision of software installation, commissioning, support and maintenance services and its related services.
(ii)	Solar panel installation	Provision of engineering, procurement, construction and commissioning services in solar energy solution and its related services.

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

24. SEGMENT INFORMATION (Cont'd)

Group	Software implementation 2024 RM	Software implementation 2023 Restated RM	Software implementation 2022 Restated RM	Solar panel installation 2024 RM	Solar panel installation 2023 Restated RM	Solar panel installation 2022 Restated RM	Elimination 2024 RM	Elimination 2023 Restated RM	Elimination 2022 Restated RM	Note	Total 2024 RM	Total 2023 Restated RM	Total 2022 Restated RM
Revenue													
External revenue	5,778,627	5,225,684	5,577,773	6,043,599	6,606,733	8,274,775	-	-	-		11,822,226	11,832,417	13,852,548
Inter-segment revenue	-	-	-	-	-	-	-	-	-	A	-	-	-
Total revenue	5,778,627	5,225,684	5,577,773	6,043,599	6,606,733	8,274,775	-	-	-		11,822,226	11,832,417	13,852,548
Results													
Segment results	(245,017)	(940,189)	305,594	988,283	(402,897)	(295,515)	-	-	-		743,266	(1,343,086)	10,079
Interest income											31,447	21,818	5,541
Interest expense											(65,545)	(75,241)	(48,104)
Share of results of an associate											(47,458)	61,742	274,483
Profit/(Loss) before tax											661,710	(1,334,767)	241,999
Tax expense											(221,356)	(20,190)	(20,139)
Profit/(Loss) for the financial year											440,354	(1,354,957)	221,860

24. SEGMENT INFORMATION (Cont'd)

Group	Software implementation 2024 RM	Software implementation 2023 Restated RM	Software implementation 2022 Restated RM	Solar panel installation 2024 RM	Solar panel installation 2023 Restated RM	Solar panel installation 2022 Restated RM	Elimination 2024 RM	Elimination 2023 Restated RM	Elimination 2022 Restated RM	Note	Total 2024 RM	Total 2023 Restated RM	Total 2022 Restated RM
Assets													
Segment assets	9,567,035	11,136,759	11,104,978	1,627,838	248,979	2,568,297	(481,536)	(1,177,071)	(1,276,971)		10,713,337	10,208,667	12,396,304
Investment in an associate											2,020,908	2,068,366	2,006,624
Current tax assets											237,365	269,164	165,927
Cash and bank balances											8,658,633	3,889,689	3,519,602
Total assets											21,630,243	16,435,886	18,088,457
Liabilities													
Segment liabilities	3,023,472	5,449,517	3,358,306	3,275,322	942,476	2,822,698	(481,536)	(1,177,071)	(1,276,971)		5,817,258	5,214,922	4,904,033
Current tax liabilities											389,141	8,955	2,638
Total liabilities											6,206,399	5,223,877	4,906,671
Other segment information													
Addition to non-current assets	1,813,258	1,095,652	1,329,861	2,768	13,047	11,899	-	-	-	B	1,816,026	1,108,699	1,341,760
Depreciation and amortisation	1,444,570	1,628,124	1,800,423	6,887	9,534	4,300	-	-	-		1,451,457	1,637,658	1,804,723
Non-cash expenses/ (income) other than depreciation and amortisation	24,962	158,293	3,696,266	8,745	9,557	21,016	-	(600,000)	(3,453,000)	C	33,707	(432,150)	264,282

24. SEGMENT INFORMATION (Cont'd)

a. Inter-segment revenues are eliminated on consolidation.

b. Capital expenditure consists of additions of property, plant and equipment and intangible assets.

c. Other non-cash (income)/expenses consist of the following items:

	Group		
	2024 RM	2023 RM	2022 RM
Bad debts	-	-	138
Impairment loss on receivables	38,008	151,275	85,342
Reversal of impairment loss on receivables	(340,499)	-	(6,360)
Share-based payment transactions	48,951	14,186	164,146
Unrealised loss on forex	368	2,388	21,016

Geographic information

The Group operates mainly in Malaysia and other Asia Pacific countries. In determining the geographical segments of the Group, revenue is based on the geographical location of customers. Total non-current assets and capital expenditure information based on the geographical location of customers is as follows:

	Revenue			Non-current assets		
	2024 RM	2023 (Restated) RM	2022 (Restated) RM	2024 RM	2023 (Restated) RM	2022 (Restated) RM
Malaysia	10,009,647	10,309,887	12,226,554	9,084,909	8,866,762	9,333,502
Asia Pacific	1,812,579	1,522,530	1,625,994	-	-	-
	11,822,226	11,832,417	13,852,548	9,084,909	8,866,762	9,333,502

Non-current assets information presented above which excludes financial assets, consist of the following items as presented in the Group's statement of financial position:

	Non-current assets		
	2024 RM	2023 RM	2022 RM
Property, plant and equipment	4,186,341	3,566,086	3,767,428
Investment property	750,000	750,000	750,000
Investment in an associate	2,020,908	2,068,366	2,006,624
Intangible assets	2,127,660	2,482,310	2,809,450
	9,084,909	8,866,762	9,333,502

24. SEGMENT INFORMATION (Cont'd)

Major customers

Total revenue from 2 (2023:3) major customers which individually contributed more than 10% of the Group's total revenue amounted to RM2,509,898 (2023: RM3,132,000).

25. RELATED PARTY DISCLOSURES

(a) **Identity of related parties**

The Group and the Company have related party relationships with their subsidiaries, associate, key management personnel and companies in which certain Directors of the Company and persons connected to certain Directors of the Company have substantial financial interests.

(b) **Related party transactions**

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company have the following related party transactions during the financial year:

	Group			Company		
	2024 RM	2023 RM	2022 RM	2024 RM	2023 RM	2022 RM
Transactions with an associate						
Sales	12,540	13,390	14,051	-	-	-
Rental income	-	-	35,000	-	-	-
Transactions with related party						
Cost sharing	88,511	62,796	69,486	49,650	49,868	36,789
Professional fees and disbursements paid	15,332	12,472	9,901	2,310	1,234	1,238
Sales	1,944	1,908	6,073	-	-	-
Rental expenses	18,000	24,000	24,000	-	-	-
Clerical charges	31,200	31,200	31,200	-	-	-
Transactions with subsidiaries						
Interest income	-	-	-	32,073	2,610	10,300
Management fees received	-	-	-	10,000	10,000	10,000

25. RELATED PARTY DISCLOSURES (Cont'd)

(c) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include all the Directors of the Company and its subsidiaries, and certain members of senior management of the Group and of the Company.

The remuneration of the Directors of the Group and of the Company are disclosed in Note 21(a).

The remuneration of other members of key management personnel during the financial year is as follows:

	Group		
	2024 RM	2023 RM	2022 RM
Salary, allowances and bonus	494,987	427,495	414,375
Share-based payment transactions	-	-	45,934
Contributions to defined contribution plan	59,008	51,041	49,478
	553,995	478,536	509,787

26. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

	Group			Company		
	2024 RM	2023 RM	2022 RM	2024 RM	2023 RM	2022 RM
Financial assets						
Amortised cost						
Trade and other receivables	2,182,328	2,444,701	3,998,725	13,928	15,356	15,173
Amount due from subsidiaries	-	-	-	511,339	429,579	1,388
Cash and bank balances	8,658,633	3,889,689	3,519,602	4,033,804	1,860,294	2,333,856
	10,840,961	6,334,390	7,518,327	4,559,071	2,305,229	2,350,417
Financial liabilities						
Amortised cost						
Trade and other payables	3,784,642	1,985,018	2,187,671	79,739	53,612	53,116
Amount due to subsidiaries	-	-	-	-	-	1,735
Borrowings	1,036,620	1,699,617	1,260,506	-	-	-
	4,821,262	3,684,635	3,448,177	79,739	53,612	54,851

26. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks of the Group include credit, liquidity, interest rate and foreign currency risks.

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing these risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks:

(i) **Credit risk**

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Group's exposure to credit risk arises principally from trade receivables. The Company's exposure to credit risk arises principally from advances to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised and monitored via strictly limiting the Group's and the Company's associations to business partners with good credit rating.

At the end of each reporting period, the Group and the Company assess whether any of the trade receivables are credit impaired.

There are no significant changes as compared to the previous financial year.

Credit risk concentration profile

As at the end of the reporting period, the Group has significant concentration of credit risk arising from amount owing from 6 customers (2023: 3 customers), constituting 14% (2023: 13%) of the Group's trade receivables, net of individual impairment.

Exposure to credit risk

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the notes to the financial statements.

26. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(i) **Credit risk (Cont'd)**

Trade receivables (Cont'd)

Recognition and measurement of impairment loss

The Group has applied the simplified approach in MFRS 9 to measure the loss allowance at lifetime ECLs.

The Group assesses impairment of trade receivables on individual and collective basis. The Group uses a provision matrix to measure ECL of collective assessed receivables as they are grouped based on shared credit risk characteristics, the days past due and similar types of contracts which have similar risk characteristics.

Consistent with the debt recovery process, the Group has set an additional settlement period of 150 days. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency after the extended period. Those balances exceeding 240 days past due will be considered as credit impaired.

Loss rates are based on actual credit loss experienced throughout the period. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Group		
	2024 RM	2023 RM	2022 RM
Gross amount			
Current (not past due)	1,180,677	1,346,788	1,755,163
1 to 60 days past due	375,453	548,861	1,344,473
61 to 120 days past due	70,915	241,309	271,769
121 to 180 days past due	165,318	83,358	458,631
181 to 240 days past due	45,830	63,832	185,054
More than 240 days	502,376	788,142	463,860
	2,340,569	3,072,290	4,478,950
Less: Loss Allowances			
- Collectively impaired	(256,241)	(690,682)	(539,863)
- Individually impaired	-	-	-
	(256,241)	(690,682)	(539,863)
Total trade receivables	2,084,328	2,381,608	3,939,087

26. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(i) **Credit risk (Cont'd)**

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (cont'd)

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

For trade receivables that are past due but not impaired, they relate mostly to the customers with slower repayment patterns, for whom there is no history of default. The Group does not hold any collateral or other credit enhancement over these balances. No impairment has been provided for these trade receivables as there has been no significant changes in their credit quality and the management still considered the debts to be recoverable.

For trade receivables that are individually or collectively determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments which are past due more than 240 days. These receivables are not secured by any collateral or credit enhancements.

Cash and cash equivalents

The cash and cash equivalents of the Group and of the Company are held with licensed banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These licensed banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

Other receivables and deposits

Other receivables and deposits are neither past due nor impaired. The Group and the Company believe that generally no allowance for impairment is necessary in respect of other receivables and deposits that are neither past due nor impaired as these receivables and deposits are mainly arising from debtors that have good records of payment in the past.

Intragroup advances

Risk management objectives, policies and processes for managing the risk

The company provides unsecured advances to subsidiaries and monitors the ability of the subsidiaries to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amount in the Company's statement of financial position. Advances provided are not secured by any collateral or supported by any other credit enhancements.

26. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(i) **Credit risk (Cont'd)**

Intragroup advances (Cont'd)

Recognition and measurement of impairment loss

Generally, the Company considers the advances to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded.

The Company determines the probability of default for these advances individually using internal information available.

As at the end of the reporting period, there were no indications of impairment loss in respect of these advances.

Financial guarantees

The Company provides unsecured financial guarantee to a licensed bank in respect of an overdraft facility granted to a subsidiary up to a limit of RM1,400,000 (2023: RM1,400,000). The maximum exposure to credit risk amounted to RM1,036,620 (2023: RM1,198,828), representing the outstanding overdraft facility of the subsidiary as at the reporting date.

The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary. As at the end of the reporting period, there was no indication that the subsidiary would default on repayment.

The fair value of the financial guarantee has not been recognised at inception sate as it is not material and the Company has not received any consideration for the issuance of such financial guarantees.

(ii) **Liquidity risk**

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

All the Group's and the Company's financial liabilities at the end of the reporting period will mature within one year.

In response to possible future liquidity constraints arising from the Covid-19 pandemic, particularly on the mismatching of collection from customers and payment to suppliers, the Group has maintained a secured overdraft facility with a limit of RM1.4 million which is not fully utilised as at the end of the reporting period. Interest is payable at the minimum rate of 10.40% per annum or base financing rate (BFR) + 4% per annum whichever is higher, calculated based on any outstanding amount.

26. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(iii) **Market risk**

The Group's and the Company's exposure to a risk of change in their fair value due to changes in interest rates related primarily from their bank borrowings.

(i) Foreign currency risk

The objective of the Group's and the Company's foreign exchange policies are to allow the Group and the Company to manage exposure that arise from trading activities effectively within a framework of controls that does not expose the Group and the Company to unnecessary foreign exchange risks.

Exposure to foreign currency risk

The Group has transactional currency exposures arising from purchases that are denominated in a currency other than the functional currency of the Company. The Group also holds cash and bank balances and borrowing denominated in foreign currencies for working capital purposes. The currency giving rise to this risk is primarily US Dollar ("USD"), Chinese Renminbi ("RMB") and Singapore Dollar ("SGD").

26. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(iii) **Market risk (Cont'd)**

(i) Foreign currency risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in		
	SGD RM	USD RM	RMB RM
2024			
Cash and bank balances	-	1,000	-
Borrowings	-	-	-
	-	1,000	-
2023			
Cash and bank balances	8,572	5,754	1,898
Borrowings	-	(500,789)	-
	8,572	(495,035)	1,898
2022			
Cash and bank balances	4,741	6,138	2,042
Borrowings	-	(90,542)	-
Trade payables	(52,663)	(26)	(502)
	(47,922)	(84,430)	1,540

<u>Sensitivity analysis for foreign currency risk</u>

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's profit after tax.

A 10% strengthening of the functional currency of the Group against the following currencies at the end of the reporting period would affected profit after tax by the amount shown below and a corresponding weakening would have an equal but opposite effect:

	Effect on profit after tax		
	2024 RM	2023 RM	2022 RM
SGD	-	(651)	3,642
USD	(359)	37,623	6,417
RMB	-	(144)	(117)
(Decrease)/increase in profit after tax	(359)	36,828	9,942

26. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(iii) **Market risk (cont'd)**

(ii) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Group's and the Company's exposure to interest risk arises mainly from interest-bearing financial assets and liabilities.

Exposure in interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of reporting period was:

	Group			Company		
	2024 RM	2023 RM	2022 RM	2024 RM	2023 RM	2022 RM
Fixed rate instruments :						
Financial assets	1,140,823	1,024,032	1,004,285	1,052,224	1,024,032	1,004,285
Floating rate instruments :						
Financial liabilities	1,036,620	1,699,617	1,260,506	-	-	-

Sensitivity analysis for interest rate risk:

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for fixed rate instruments

An increase of 25 basis points at the end of the reporting period would increase the Group's loss after tax by approximately RM1,969 (2023: RM3,229) and a corresponding decrease would have an equal but opposite effect, with all other variables held constant.

27. FAIR VALUE INFORMATION

Fair value measurement of non-financial assets

The fair value measurement hierarchies used to measure non-financial asset at fair value in the statements of financial position are disclosed in Note 5 to the financial statements.

Financial instrument other than those carried at fair value

Financial instrument that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values.

The carrying amounts of financial assets and financial liabilities of the Group and of the Company at the end of the reporting period approximate their fair values due to their short-term nature.

28. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to maintain a strong capital base and safeguard the Group's ability to continue as a going concern and to maintain a capital structure, so as to maximize shareholders', stakeholders' and market confidence and to sustain future development of the business.

The Group manages needs and determines the capital structure and policies in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objectives, policies and processes during the financial year under review as compared to the previous financial period.

The Group manages capital by regularly monitoring its liquidity requirements rather than using debt/equity ratio and the Group did not breach any covenants imposed by its lender on the Group as at the end of the reporting period.

29. CAPITAL COMMITMENTS

The Group has made commitments for the following:

	Group		
	2024 RM	2023 RM	2022 RM
Property, plant and equipment	-	27,000	27,000

30. PRIOR YEAR ADJUSTMENT

The Group decided to use fair value model in the valuation of investment property, as a result of fair value of investment property undertaken which is disclosed in Note 6.

The net effects to the Company's comparative figures are as summarised below:

Group	As previously stated RM	Prior financial year adjustments RM	As restated RM
01 April 2022			
Statement of Financial Position			
Non-current assets			
Investment property	282,727	467,273	750,000
Equity			
Accumulated losses	(18,318,803)	467,273	(17,851,530)
Statement of Comprehensive Income			
Other operating income	159,301	467,273	626,574
31 March 2023			
Statement of Financial Position			
Non-current assets			
Investment property	282,250	467,750	750,000
Equity			
Accumulated losses	(19,629,365)	467,750	(19,161,615)
Statement of Comprehensive Income			
Other operating income	132,705	477	133,182

31. SUBSEQUENT EVENT

(i) On 20 June 2024, the Company announced that the Company proposed private placement of up to 932,349 new ordinary shares in the Company representing up to 3% of the enlarged number of issued shares of the company; and

(ii) On 01 July 2024, the Company announced that the Company proposed private placement of up to 800,000 new ordinary shares in the Company representing up to 2% of the enlarged number of issued shares of the company.

LIST OF PROPERTIES

Location	Description and Existing Use	Tenure	Land area / Built-up area (sq ft)	Date of acquisition / Date of Revaluation	Approximate age of Building (Years)	Carrying amount as at 31 March 2024 (RM)
Unit 9-10, 9th Floor, Wisma UOA II, No. 21, Jalan Pinang, 50450 Kuala Lumpur	One office unit held under GRN46212 master issue document for title at H.S. (D) 87450, P.T. 35, Section 57, Town of Kuala Lumpur, District of Wilayah Persekutuan Office Use	Freehold	2,508	08.12.2000/ 01.06.2023	24	2,000,000
Unit 5.04, Plaza GM, No.12, Lorong Haji Taib Lima, 50350 Kuala Lumpur	One shop lot held under Geran 54264 Lot 2000 Seksyen 46 (formerly known as H.S. (D) 81954 P.T. No. 86, GRN 26997 & 26998 for Lot Nos. 1728 & 1729 all of Seksyen 46) in the town and District of Kuala Lumpur, State of Wilayah Persekutuan Rented Out	Freehold	238.46	29.01.2008/ 09.06.2023	16	750,000

ANALYSIS OF SHAREHOLDINGS

AS AT 3 JULY 2024

Class of Shares	:	Ordinary shares ("Shares")
Voting Rights	:	1 vote per Share

I. ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100 shares	7	0.24	308	*
100 to 1,000 shares	654	22.44	184,700	0.07
1,001 to 10,000 shares	1,059	36.34	7,006,900	2.56
10,001 to 100,000 shares	1,008	34.59	35,940,200	13.14
100,001 to less than 5% of issued shares	183	6.28	131,371,900	48.04
5% and above of issued shares	3	0.10	98,942,881	36.18
Total	**2,914**	**100.00**	**273,446,889**	**100.00**

Note: * Negligible

II. THIRTY LARGEST SECURITIES ACCOUNT HOLDERS
(without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares	%
1	Yeap Kong Chean	46,799,017	17.11
2	Yeap Kong Tai (Deceased)	32,786,664	11.99
3	Cartaban Nominees (Tempatan) Sdn Bhd Exempt An For Standard Chartered Bank Singapore (EFGBHK-Tempatan)	19,357,200	7.08
4	Lee Wai Mun	8,678,600	3.17
5	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Eng Ging Kiat	6,755,000	2.47
6	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yeap Kong Tai (Yglsons&Sb-Pupg)	6,680,000	2.44
7	Chan Li Kheng	6,597,000	2.41
8	Tai Kau @ Tai Fah Chong	4,680,100	1.71
9	Tan Lan Wah	4,553,700	1.67
10	Yeap Chor Beng & Sons Sdn Bhd	4,500,000	1.65

ANALYSIS OF SHAREHOLDINGS

AS AT 3 JULY 2024

II. THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (Cont'd)
(without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares	%
11	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yeap Kong Yeow	4,060,000	1.48
12	Wong Ah Yong	3,717,900	1.36
13	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Foo Chee Boon	3,260,000	1.19
14	Tricor Services (Malaysia) Sdn. Bhd.	3,075,000	1.12
15	Cheong Xin Yin	2,933,000	1.07
16	Lo Yoon Choong	2,770,000	1.01
17	Yeap Kong Yeow	2,433,000	0.89
18	Tan Lan Wah	2,362,000	0.86
19	Ng Jeh Yeong	2,250,000	0.82
20	Yong Boon Chieh	2,000,000	0.73
21	Ng Cheng Guan	1,604,100	0.59
22	Tan Kean Hock	1,500,000	0.55
23	Seaw Keng Seng	1,400,000	0.51
24	Yeap Kok Leong	1,400,000	0.51
25	Hew Yoon Kiong	1,286,900	0.47
26	Tan Seik Lang	1,210,000	0.44
27	Sim Puei Chun	1,207,000	0.44
28	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tee Chee Chiang (8073610)	1,000,000	0.37
29	Yang Wai Ken Eugene	1,000,000	0.37
30	Yeap Kah Phaik	1,000,000	0.37

III. SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct Interest No. of Shares held	%	Indirect Interest No. of Shares held	%
1	Yeap Kong Chean	46,799,017	17.11	-	-
2	Tan Hoay Leng	-	-	46,799,017	17.11*
3	Yeap Kong Tai (Deceased)	39,466,664	14.43	-	-
4	Dato' Woo Swee Lian	19,357,200	7.08	-	-

Note: * Deemed interested by virtue of his spouse's shareholdings in the Company in accordance with Section 59(11)(c) of the Companies Act 2016 ("the Act").

IV. DIRECTORS' SHAREHOLDINGS

No.	Name	Direct Interest No. of Shares held	%	Indirect Interest No. of Shares held	%
1	Yeap Kong Chean	46,799,017	17.11	-	-
2	Tan Hoay Leng	-	-	46,799,017	17.11*
3	Wong Khai Meng	-	-	-	-
4	Muhamed Ali Bin Hajah Mydin	-	-	-	-
5	Wan Chia Keong	-	-	-	-

Note: * Deemed interested by virtue of his spouse's shareholdings in the Company in accordance with Section 59(11)(c) of the Act.

INTEREST IN RELATED CORPORATIONS

By virtue of their interest in shares in the Company, Mr. Yeap Kong Chean and Madam Tan Hoay Leng are deemed to have an interest in the shares in all the subsidiaries to the extent the Company has an interest.

Save as disclosed above, none of the Directors had any interest in shares in the related corporations.

Ygl WORLD

Ygl Convergence Berhad
Registration No. 200401010510 (649013-W)
(Incorporated in Malaysia)

CDS Account No.

No. of shares held

PROXY FORM

I/We ____ Tel: ____________________

[Full name in block, NRIC/Passport/Company No.]

of ____

being member(s) of Ygl Convergence Berhad, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
(Tel:)			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
(Tel:)			

or failing him, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Twentieth (20th) Annual General Meeting ("AGM") of the Company to be held at **Nat King Cole, Level 9, Jazz Hotel Penang, No. 1, Jalan Seri Tanjung Pinang 1, 10470 Tanjung Tokong, Penang** on **Thursday, 29 August 2024, 10:30 a.m.** or any adjournment thereof, and to vote as indicated below:

Ordinary Business		Ordinary Resolution	First Proxy		Second Proxy	
			For	Against	For	Against
1.	To re-elect Madam Tan Hoay Leng as Director of the Company.	1				
2.	To re-elect Mr. Wong Khai Meng as Director of the Company.	2				
3.	To approve the payment of Directors' fees for the financial year ended 31 March 2024.	3				
4.	To approve the payment of benefits to Directors for the period commencing from 30 August 2024 until the next AGM of the Company.	4				
5.	To re-appoint Messrs. CHENGCO PLT as auditors of the Company.	5				
Special Business						
6.	Authority for Directors to issue and allot shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights.	6				

(Please indicate with an "X" in the appropriate box how you wish your proxy to vote. If no instruction is given, the proxy will vote or abstain at his/her discretion).

Note : *Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of 20th AGM for the full purpose and intent of the Resolutions to be passed.*

_____________________________________ Signed this________day of __________________, 2024.

Signature of Shareholder(s)/Common Seal

** Manner of execution:*
(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:
1. For the purpose of determining who shall be entitled to attend the 20th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at **22 August 2024**. Only a depositor whose name appears on this Record of Depositors shall be entitled to attend the 20th AGM or appoint a proxy to attend, speak and vote on his/her behalf.
2. A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at the 20th AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 20th AGM.
4. Where a member of the Company is an authorised nominee, as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") it may appoint not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The instrument appointing a proxy must be deposited at the registered office of the Company at No. 35, Scotland Road, 10450 Penang, Malaysia, not less than forty-eight (48) hours before the time fixed for holding the 20th AGM or any adjournment at which the person named in the appointment proposes to vote or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
8. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 20th AGM will be put to vote by way of a poll.
9. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
10. Any alteration in this form must be initialed.

Personal data privacy: -
By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 20th AGM of the Company and any adjournment thereof.

AFFIX
STAMP

To:

The Company Secretaries
Ygl Convergence Berhad
Registration No. 200401010510 (649013-W)
No. 35, Scotland Road
10450 Penang
Malaysia

Ygl Convergence Berhad
Registration No. 200401010510 (649013-W)

PENANG (HQ)
35, Scotland Road
10450 Penang, Malaysia
T: 604-229 0619

PENANG (R&D Centre)
5, Lintang Bayan Lepas 1
Bayan Lepas Industrial Park, Phase 4,
11900 Bayan Lepas, Penang, Malaysia
T: 604-603 3377

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T: 603-2166 5928

SINGAPORE
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Singapore 049513
T: 65-6670 6881

HONG KONG
Rm 2205-6 22/F.
Lemmi Centre, 50 Hoi Yuen Road
Kwun Tong, Kowloon, Hong Kong
T: 852-2609 1338

www.yglworld.com

CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	0086
COMPANY NAME	**:**	YGL CONVERGENCE BERHAD
FINANCIAL YEAR	**:**	March 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE
Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA
Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application :	Applied
Explanation on application of the practice :	The Board of Directors ("Board") is entrusted with the stewardship of Ygl Convergence Berhad ("Ygl" or "the Company") in charting future corporate direction, achieving sustainable growth, discharging its social responsibilities, safeguarding the interests of its shareholders and stakeholders in addition to optimising the Group's resources. The Board has also delegated specific matters to various Board Committees which operate within their respective approved Terms of Reference ("TOR"). There is a division of function between the Board and the Management, whereby the former focuses more on the Company's governance; the latter on management in accordance with the direction of and delegation by the Board. Thus, the Board leads the Group and plays a strategic role in overseeing the overall activities of the Management in carrying out the delegated duties in achieving the Group's corporate objectives and long-term strategic plans of the business. The Board consists of five (5) Directors, comprising two (2) Executive Directors ("EDs") and three (3) Independent Non-Executive Directors ("INEDs"). Collectively, the composition equips the Board with a mix of industry-specific knowledge and broad business, financial and technical experience. A brief profile of each Director is set out in the Annual Report 2024 of the Company. The Board complies with Rule 15.02 of ACE Market Listing Requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") which states that a listed company must have at least two (2) directors or one-third (1/3) of the board of directors, whichever is the higher, are independent directors. All the independent directors do not participate in the management and are independent of any business or other

	relationships with the Group that would influence on their objective deliberation and judgement. There is a clear division of responsibilities between the EDs and Non-Executive Directors ("NEDs") of the Board. The EDs are responsible for the implementation of the Board's decisions and policies, overseeing of day-to-day management and coordination of business and strategic decisions. The NEDs play a significant role in bringing objectivity and scrutiny to the Board's deliberations and decision-making. The EDs, Mr. Yeap Kong Chean ("Mr. Yeap") and Madam Tan Hoay Leng ("Madam Tan"), primarily are responsible for the implementation of the Board's policies and decisions and keep the Board informed of the overall operations of the Group. The presence of existing INEDs, are of sufficient calibre and experience to bring objectivity, balance and independent judgements to the Board's decision. In addition to statutory and fiduciary duties, the Board leads in decision-making and retains ultimate control in determining the Group's strategies and policies over business directions and development. The principal focus of the Board includes the following: - • steering business directions; • reviewing and adopting strategic plans for the Group; • overseeing the Group's business operations and financial performance; • approval of annual and quarterly results, budgets and long-term business plans; • identifying major risks and the implementation of appropriate risk management and mitigation measures; • reviewing the adequacy and integrity of the Group's internal control system; • reviewing action plans implemented by the Management to achieve targets; and • ensuring compliance with applicable laws, rules and regulations. The Board has entrusted the Nominating Committee ("NC") with the responsibility to consider succession planning for Directors in the course of its works, taking into account the challenges and opportunities faced by the Company and what skills and expertise are therefore needed on the Board in the future. The Board has also entrusted the EDs with the responsibility to review candidates and compensation packages for key management positions. The Group believes in, and emphasises, the importance of communication among shareholders, stakeholders and the Company. Adequate communication generates and builds public confidence towards the Company. The Board endeavours to ensure that annual reports, quarterly results, press releases and announcements are released on timely basis as a means of

	disseminating information of the Group's business activities and financial performance. The Board is ultimately responsible for the adequacy and integrity of the Group's internal control system. The Board ensures that there is a sound framework of reporting on internal controls and regulatory compliance. Details relating to the internal control system and review of effectiveness are available in the Statement of Risk Management and Internal Control as set out in the Annual Report 2024 of the Company.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2
A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<table>
<tr><td>Application :</td><td colspan="2">Departure</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2">The position of Chairman is currently vacant, and the Board is still looking for a high calibre character to assume the oversight role.

The Company is a relatively small sized company with only five (5) members on the Board. Currently, the Board deals with the Chief Executive Officer ("CEO") whose focus is on the day-to-day operation of the business. The Board collectively makes decisions pertaining to governance matters and business strategies.</td></tr>
<tr><td colspan="2">Nil</td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

<table>
<tr><td>Application :</td><td colspan="2">Departure</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2">The position of Chairman is vacant while the position of CEO is assumed by Mr. Yeap.

The Board has not appointed a Chairman for the Board. The Board has assessed the situation and taken action to look for a high calibre Chairman, a person who will bring new perspective, ideas and drive to the Group to be appointed as Chairman of the Company.

The Board recognises the importance of having a clearly accepted division of roles and responsibilities at the Head of the Company to ensure a balance of power and authority.

Mr. Yeap, as CEO, is focusing on the business and day-to-day management of the Company. EDs are responsible for the implementation of the Board's decisions and policies, overseeing for the day-to-day management and coordination of business and strategic decisions, while the NEDs play a significant role in bringing objectivity and scrutiny to the Board's deliberations and decision-making.</td></tr>
<tr><td colspan="2">Nil.</td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome
Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4
The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<table>
<tr><td colspan="3">Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</td></tr>
<tr><td>Application :</td><td colspan="2">Departure</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2">The position of Chairman is currently vacant. Audit And Risk Management Committee ("ARMC"), NC and Remuneration Committee comprise INEDs only.

The CEO, Mr. Yeap was invited to participate in the Board Committees' meetings when the Board Committees needed further clarification or input from Mr. Yeap.</td></tr>
<tr><td colspan="2">Nil</td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome
Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5
The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The Board is supported by qualified and competent Company Secretaries, namely Ms. Yeow Sze Min and Ms. Low Seow Wei, who are also members of a professional body. They are both qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016. They are members of the Malaysian Institute of Chartered Secretaries and Administrators.

The company secretaries: -
Manage all the Board meetings by ensuring attendance.
Ensuring due processes and proceedings during Annual General Meeting ("AGM").
Record and keep deliberations of meetings in minutes.
Communicate the outcome of meetings to relevant Management for follow-up actions.
Update the Board on decisions and recommendations.
Update and apprise the Board regularly on new regulations issued by the regulatory authorities.
Ensure the Board procedures comply with all other rules and regulations applicable to the Company.
Advise the Board of the Company's Constitution, Board policies, best practices, codes and guidance.
Work closely with Management to ensure that there is timely and appropriate information flow within and to the Board and Board Committees.
Support the Board in fulfilling its fiduciary duties and oversight role in achieving good corporate governance.
Assist in induction programme of newly appointed Director.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6
Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The Board meetings are held at quarterly intervals and additional meetings are held should the need arise.

The Board is provided with notice of meetings that set out the agenda and minutes of previous meetings, all relevant reports and meeting papers were circulated to the Board to give them sufficient information and time to deliberate on issues to be raised at meetings.

The proceedings at all Board meetings are duly minuted. The Minutes of these proceedings are kept by the Company Secretaries. Upon conclusion of the meeting, the minutes are circulated in timely manner.
The Company Secretaries will communicate with the Management on the Board's decisions or recommendations or requests via circularisation of the minutes of meetings for follow-up action to be taken. With reference to the previous minutes of meetings, these follow-up actions will be recorded as matters arising in the minutes of the meeting for updating the Board.

For the financial year ended 31 March 2024 ("FYE 2024"), the Board had held five (5) meetings with full attendance.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	The roles and responsibilities of the Board are outlined the Board Charter. The Board Charter provides guidelines to benchmark the performance of the Board as a whole as well as that of the individual director. The terms of the Board Charter are periodically reviewed and updated to meet the needs of the Company as well as changing requirements set by the authorities. The Board Charter is available on the Company's website at htttp://www.yglworld.com/. The Board leads the Group and plays a strategic role in overseeing the overall activities of the Management in carrying out the delegated duties in achieving the Group's corporate objectives and long-term strategic plans of the business. The Board has adopted a charter to provide the terms of reference for its members in relation to the roles and responsibilities, division of responsibilities among the Board and the Board Committees. The Board Charter was last reviewed and approved by the Board on 27 May 2022. In addition to statutory and fiduciary duties, the Board leads in decision-making and retains ultimate control in determining the Group's strategies and policies over business directions and development.
Explanation for departure	:	

<table>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1
The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application :	Applied
Explanation on application of the practice :	The Board views adherence to the best practices of corporate governance as the means to uphold a high standard of corporate conduct. The Code of Ethics and Conducts of the Company set out the ethical standards and appropriate conduct at work adopted by the Group and applicable to all the employees and Board members. Areas covered by the Code of Ethics and Conducts encompass information confidentiality and security, conflict of interests, protection of asset, insider trading etc. The details of the Code of Ethics and Conduct are available for reference on the Company's website. The Directors of the Group are guided by the Code of Ethics established by the Companies Commission of Malaysia for Company Directors. The Code of Ethics sets out the principles in relation to sincerity, integrity, responsibility and corporate social responsibility. The Board has formalised vide the Code of Conduct its expectation on time commitment for its members, avoiding or managing any such or potential conflicts of interest as well as the requirement to notify the Board prior to accepting new directorship in any entity's board.
Explanation for departure :	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2
The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application :	Applied	
Explanation on application of the practice :	The Board has adopted the Whistleblower Policy on 26 August 2019, which provides guidelines on procedures and protection for its Directors and employees in the event of reporting any wrongdoing within the Group as well as safeguard the interests of the Company. The details of the Whistleblower Policy are available for reference on the Company's website.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1
The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	YgI has established its sustainability vision and is putting in place a sound and efficient sustainability structure to provide guidelines and management of sustainability related matters. Sustainability is fundamental to the growth and enhancement of stakeholders' value in the long-term. YgI's key strategic sustainability directions are defined in the following areas: - • core values – building of corporate culture • governance - accountability & transparency • product & services – empower local businesses • education – strengthen the local workforce • community – care & empathy • environment – renewable energy & software technology YgI has ventured into the field of renewable energy with the view of complementing the reduction in carbon emissions and optimising resources through our software solutions. Our sustainability structure will define the way we operate our business and how we interact with the communities where we operate. Further information on sustainability for the financial year is disclosed in the Sustainability Statement in the Annual Report 2024 of the Company.
Explanation for departure	:	

<table>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<table>
<tr><td>Application :</td><td colspan="2">Departure</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2">Ygl is making the necessary arrangement and would be preparing its first enhanced sustainability disclosures for FYE2024 to communicate its sustainability vision and strategies to its stakeholders in the Annual Report 2024 of the Company and corporate website and multimedia.

Ygl is in the midst of establishing a formal sustainability policy in line with the requirements set by Bursa Securities.</td></tr>
<tr><td colspan="2">Nil</td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome
The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3
The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company has started to send its employees to attend training and courses on the framework of sustainability to make the necessary arrangement to put in place the policy, practices and procedures. Further emphasis will be given to expand the knowledge of the employees to comprehend common sustainability matters and implement their relevant disclosures step-by-step. Pursuant to Bursa Malaysia's amendment to Listing Requirements in relation to sustainability training for directors, majority of the directors had attended the Mandatory Accreditation Programme ("MAP") Part II while the remaining directors will be attending the programmes in the near future.	
		Nil.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4
Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

<table>
<tr><td>Application</td><td>:</td><td colspan="2">Departure</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure</td><td rowspan="2">:</td><td colspan="2">The Board has put in place certain criteria for review of sustainability performance which were not comprehensive enough to address the Company's material sustainability risks and opportunities.

The Board will include in its assessment among others, its effectiveness in the followings: -
• establishing strategies, priorities and targets for sustainability matters;
• addressing key risks;
• identifying sustainability opportunities; and
• earmarking learning needs on sustainability.

The Board with the assistance from Human Resource Department will incorporate key performance indicators ("KPI") for Senior Management whereby the performance in managing material sustainability risks and opportunities will be taken into consideration.</td></tr>
<tr><td colspan="2">Nil.</td></tr>
<tr><td colspan="4">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure</td><td>:</td><td colspan="2"></td></tr>
<tr><td>Timeframe</td><td>:</td><td></td><td></td></tr>
</table>

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.		
Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1
The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application :	Applied
Explanation on application of the practice :	The Board is committed to boardroom diversity with an appropriate balance and mix of industry-specific knowledge, skills, experience, backgrounds and gender which contribute to the effectiveness, perspective, creativity and performance of the Board. The Board has put in place a formal evaluation process to annually assess the effectiveness of the Board as a whole and the Board Committees, as well as the contribution and performance of each individual Director. The criteria used, amongst others, for the annual assessment of individual Director includes the assessment of their roles, duties, responsibilities, competency, expertise and contribution. Whereas the criteria for the assessment of the performance of the Board and Board Committees covers composition, processes, accountability, responsibilities as well as the fulfilment of duties. Currently, the members of the Board are from diverse backgrounds and they contribute different perspectives, skills and expertise for their roles in the Board and Board Committees. The tenures of the three (3) INEDs, namely Mr. Wong Khai Meng ("Mr. Wong"), Encik Muhamed Ali Bin Hajah Mydin and Mr. Wan Chia Keong are below five (5) consecutive years. Their profiles are set out in the Annual Report 2024 of the Company. The retiring Directors at the forthcoming AGM pursuant to Clause 76(3) of the Company's Constitution are Madam Tan and Mr. Wong. Both have consented to continue in office and accordingly will be offering themselves for re-election at the forthcoming AGM. After assessing the contribution of Madam Tan and Mr. Wong in terms of guidance and time devoted to the Board affairs and in virtue of their skills and experience respectively, the NC has recommended the re-election of Madam Tan and Mr. Wong at the forthcoming AGM.

Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2
At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">Currently, the Board consists of five (5) Directors, comprising two (2) EDs and three (3) INEDs.

Collectively, the composition equips the Board with a mix of industry specific knowledge and broad business, financial and technical experience.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3
The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">None of the INEDs has served tenure for more than nine (9) years: -
<table><tr><td>Years of Service</td><td>< 5 years</td><td>> 5 years</td><td>> 9 years</td></tr><tr><td>Independent NEDs</td><td>3</td><td>-</td><td>-</td></tr></table></td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up
The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.		
Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5
Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	Currently, the Board consists of five (5) Directors, comprising two (2) EDs and three (3) INEDs. Even though collectively the composition equipped the Board with a mix of industry-specific knowledge and broad business, financial, regulatory and technical experience, it was not a truly diverse Board in terms of age, ethnicity, thoughts and perspective. The Company does not practise any form of gender, ethnicity and age group biases as all candidates for either Board or Senior Management team shall be given fair and equal treatment. The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Group. Notwithstanding with the above, the Board affirms its commitment to boardroom diversity as a truly diversified board can enhance the board's effectiveness, perspective, creativity and capacity to thrive in good times and to weather the tough times. In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.
Explanation for departure	:	

<table>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6
In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied	
Explanation on application of the practice	:	The Board acknowledges the importance of not solely relying on recommendations from existing Board members, Management or major shareholders in identifying candidates for appointment of Directors, but trust that the nomination has its merit. In recommending suitable candidates for directorships and Board Committees to the Board, the NC takes into consideration the candidate's character and integrity, experience and competence, time commitment and potential contribution to the Group. Any new nomination received is recommended to the Board after a comprehensive assessment and the NC's endorsement. NC has the authority to obtain the services of professional recruitment firms to source candidates for directorship or seek independent professional advice whenever necessary.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7
The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied	
Explanation on application of the practice	:	To assist the shareholders in making decisions on the appointment and re-appointment of a director, the Board discloses the individual profile, roles in the Board Committees, record of meeting attendance and shareholdings in the Annual Report 2024 of the Company. The performance of retiring Directors who are recommended for re-election at the forthcoming AGM has been assessed by the Board through the NC. The evaluations also include the independence of the INEDs.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8
The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	Encik Muhamed Ali Bin Hajah Mydin as an INED of the Company was appointed as a member of NC on 12 July 2021 and re-designated as Chairman of NC on 23 December 2021. The NC of the Company comprises all INEDs. The Board is satisfied with the composition of the NC and confident that this Committee discharges its functions efficiently and effectively with respect to the nomination matters.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9
The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The NC and Board affirm their commitment to boardroom diversity as a truly diversified Board can enhance the Board's effectiveness, creativity and capacity. The Board has not set any measure for boardroom diversity but nevertheless works to ensure that there is no discrimination on the basis, but not limited to ethnicity, race, age, gender, nationality, political affiliation, religious affiliation, marital status, education or geographic region, during the recruitment of new Board members. The NC adopts a transparent practice to assess the suitability of an individual to be appointed to the Board. Recruitment is based on pre-set criteria such as the individual skills, knowledge, expertise and experience, professionalism and integrity. The NC also ensures that the procedures for appointing new Director are transparent and that the appointments are made on the merit and against objective criteria for the purpose. The Board consists of a female ED, Madam Tan, who was appointed to the Board in year 2009. She has been in the management team since the inception of the listing of the Company. She is currently the only female Director out of a total five (5) Board members. The Board will consider the suitability and credibility of women candidates for the Board to reach adequate women participation in the Board.	
		Nil.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10
The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application :	Departure	
Explanation on application of the practice :		
Explanation for departure :	The Board does not set formal gender diversity policy but does disclose the profile and percentage of female representation of the Board as well as the profile of female Senior Management in the Annual Report 2024 of the Company.	
	Nil.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1
The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<table>
<tr><td colspan="2">Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</td></tr>
<tr><td>Application :</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td>The NC is charged with the responsibility of overseeing the selection and assessment of Directors. The NC is responsible for developing selection criteria, assessing suitability and recommending the appropriate candidates with the relevant capabilities and experience to be appointed to the Board and Board Committees. Considerations are given to the skills and experience in the selection process while competence, commitment contribution and performance are taken into account in the assessment process. The NC is also tasked to review the continuous education and training needs of the directors and conduct an on-going review of the set criteria and expectations of the Board from the Director.

The NC conducted the annual assessment of the performance of the Board as a whole for the FYE 2024 based on the following criteria: -
• Board mix & composition
• Quality of information & decision making
• Boardroom activities
• Board’s relationship with the Management
• Environmental, Social and Governance Issues
• Board committee performance review

Based on the assessment of Board effectiveness as a whole, it was concluded that the Board has discharged its duties and responsibilities adequately.

Further, the NC conducted its annual assessment of the INEDs and made its recommendations to the Board. The Board was satisfied with the level of independence demonstrated by every Independent Director on the Board of the Company.</td></tr>
</table>

	The NC had duly considered and recommended the re-election of the Directors who were subject to retirement by rotation at the last AGM held on 29 August 2023. Apart from the qualifications and competencies of the said Directors, the NC's review on the proposed re-election as Directors takes into account the mix of skill set, experience and contribution brought to the Board.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1
The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	There is a Remuneration Policy in place for all employees including Directors and Senior Management. The philosophy and principles underpinning the Remuneration Policy are designed to maintain competitiveness for short-term business objectives and drive individual growth in line with the long-term goals of the Group. The purpose of the Remuneration Policy is to set a formal and transparent process in determining fair and attractive packages to draw, retain and motivate "the right-fit" people to become part of the team. The Remuneration Committee ("RC") reviews the remuneration package for members of the Board including Committees of the Board prior to making recommendation to the Board for approval. EDs' remuneration is based on corporate and individual performance while INEDs' fees are based on fiduciary duties and time commitment. For the FYE2024, the RC had performed its duty to assess annually the remuneration package of its EDs and Senior Management. In addition, the RC had also deliberated on the Directors' fees for FYE 2024 and benefit payable to Directors for the period from the conclusion of forthcoming Twentieth (20^{th}) AGM up to next AGM to be held in year 2025, which is subject to the shareholders' approval at the forthcoming 20^{th} AGM. Further to the deliberations, the RC reported to the Board of its recommendation.

<table>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome
The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2
The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	The Board has established a RC on 28 November 2017 and the TOR is disclosed in the Company's website. The RC of the Company comprises of all INEDs. The RC oversees the implementation of policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board pursuant to the recommendation of Malaysian Code of Corporate Governance ("MCCG"). For FYE2024, the RC had carried out the annual review of the overall remuneration for Directors and key senior management personnel. In addition, the RC had also deliberated on the Directors' fees for FYE2024 which is subject to the shareholders' approval at the forthcoming AGM. Further to the deliberations, the RC had reported to the Board its recommendation and findings.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application :	Applied
Explanation on application of the practice :	

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Yeap Kong Chean	Executive Director	-	-	-	-	-	-	-	-	-	180	7.5	-	-	187.5
2	Tan Hoay Leng	Executive Director	20	-	-	-	-	-	20	-	-	96	4	-	-	100
3	Wong Khai Meng	Independent Director	20	-	-	-	-	-	20	-	-	-	-	-	-	-
4	Muhamed Ali Bin Hajah Mydin	Independent Director	20	-	-	-	-	-	20	-	-	-	-	-	-	-
5	Wan Chia Keon	Independent Director	20	-	-	-	-	-	20	-	-	-	-	-	-	-

Intended Outcome
Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2
The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Applied – the company discloses the remuneration of members of senior management who are not members of the board	
Explanation on application of the practice	:	The disclosure of the remuneration of five (5) key senior management personnel in the Company as requested under Practice 7.2 of MCCG), in bands of RM50,000.00 is made on the named basis in the Annual Report 2024 of the Company.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1								
2								
3								
4								
5								

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1								
2								
3								
4								
5								

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.1
The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	Mr. Wong is the Chairman of the ARMC and is not the Chairman of the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.2
The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	The TOR of ARMC clearly sets out that "No former partner of the external audit firm of the Company shall be appointed as a member of the Committee before observing a cooling-off period of at least three (3) years". At present, none of the members of the ARMC was a former partner of the external audit firm.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3
The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">For FYE2024, the ARMC assisted in assessing, reviewing and supervising the suitability, objectivity, independence and overall performance of the external auditors, Messrs. Chengco PLT.

The ARMC has obtained assurance from the external auditors confirming that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Upon considering the suitability, objectivity, and independence of the external auditors, the ARMC has recommended the re-appointment of Messrs. Chengco PLT as the external auditors of the Company for the shareholders' approval in the Nineteenth (19th) AGM of the Company which was held on 29 August 2023.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up
The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The ARMC is comprised solely of three (3) INEDs.

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5
Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The ARMC is comprised of three (3) INEDs who are financially literate and keep up to date with the relevant development in accounting and auditing standards, practices and rules.

Mr. Wong, the Chairman of the ARMC is a member of the Malaysian Institute of Accountants ("MIA") thus fulfilling the requirement under Rule 15.09(1)(c)(i) of the Listing Requirements which requires at least one (1) of the Audit Committee members to be a member of the MIA.

The ARMC is also well informed by the company secretaries and external auditors of the applicability and impact of the changes in accounting and auditing requirements on the Company.

The members of the ARMC are expected to make sufficient effort to update their knowledge and skills through relevant continuing education programmes for meaningful deliberations.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome
Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1
The board should establish an effective risk management and internal control framework.

Application :	Applied	
Explanation on application of the practice :	The Board considers risk assessment and internal control to be fundamental to the Group in achieving its corporate objectives within reasonable risk profile. It has established an ongoing process to identify, evaluate and manage the significant risks to which the Group is exposed. The Board recognises the importance of continuous review and improvement to its risk management process to keep abreast with the industry requirements and adapt to changes in its business environment. The ARMC of the Company is entrusted with the responsibility of assessing and monitoring the robustness of the risk management controls and measures taken.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2
The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	The details of the Company's internal control system and framework are set out in the Statement on Risk Management and Internal Control in the Annual Report 2024 of the Company.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up
The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied	
Explanation on application of the practice	:	The internal audit function of the Group is outsourced to a professional service firm, namely Messrs. Tan & Loh to provide the ARMC and the Board with the assurance they require pertaining to the adequacy and effectiveness of internal control. During FYE2024, the internal auditors performed two (2) internal audit assignments but covering all the topics in accordance with the internal audit plan approved by the ARMC. The findings and recommendations by the internal auditors together with Management's response are reported directly to the ARMC. This is to provide the ARMC with assurance in respect of continuity, adequacy and integrity of the system of internal controls within the Group. The Management would take appropriate actions to address and monitor the areas of weaknesses which would be followed by the ARMC. The ARMC, on behalf of the Board, reviews the internal control issues identified and recommendations in the reports prepared by the internal auditor on regular basis. None of these weaknesses identified had resulted in any material loss that would require disclosure in the Annual Report 2024 of the Company.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2
The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	The internal audit function has been outsourced to an independent professional firm, namely Messrs. Tan & Loh, to carry out the internal audit work on a regular basis throughout the year. The internal audit team possesses relevant auditing experience to discharge its role and responsibilities. The ARMC had conducted a review and assessment on the adequacy and independence of the Company's internal audit function on 25 May 2023 in compliance with Rule 15.12 (1)(f) of the Listing Requirements. Evaluation is based on the twice-yearly presentation of internal audit findings and the internal audit function questionnaire. The standards and practices adopted by internal auditors are aligned to the International Professional Practices Framework issued by the Institute of Internal Auditors. As at 31 March 2024, the total number of personnel in internal audit firm was 20. The name and qualification of the person responsible for internal audit are as follows: - 1. Dr. Tan Yen Wooi, Managing Partner in Messrs. Tan & Loh, obtained a Master of Science in Professional Accountancy from University of London in 2017. He is a member of MIA, Malaysia Institute of Taxation, Institute of Internal Auditor Malaysia and fellow of Association of Chartered Certified Accountants. 2. Sugaintharan, person-in-charge. Graduated with a Bachelor of Accounting from Anglia Ruskin University, United Kingdom in 2016. None of the internal audit personnel has any relationship or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions.

Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1
The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	The Board recognises the need for stakeholders and the broader investment community to make discerned decisions based on accurate, useful and timely disclosure of corporate information. The Board endeavours to ensure that annual reports, quarterly results, press releases and announcements are released on a timely basis as a means of disseminating information of the Group's business activities and financial performance. Material information such as the Group's performance and major developments are disseminated via various channels. Annual Reports and circulars are despatched to shareholders and published on the Company's and Bursa Securities' websites, release of announcements including quarterly financial results and convening of AGM. The Company website, https://www.yglworld.com/, is accessible to the public, contains all relevant information about the Company and the Group including all submissions to Bursa Securities. The Group has maintained an active and constructive communication policy with its shareholders and other stakeholders to keep them in tandem with the major developments and performance of the Group. The Annual Report is the main channel of communication between the Company and its stakeholders. The Annual Report communicates comprehensive information of the financial results and activities undertaken by the Group. The Board has set up appropriate corporate disclosure policy and exercise close monitoring of all price sensitive information required to be released to Bursa Securities and make material announcements to Bursa Securities in a timely manner. For FYE2024, the Company did not conduct any investor relation (IR) functions except for certain seminars/talks related to our domain expertise on Smart Manufacturing and Smart Warehouse systems.

<table>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1
Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application :	Applied	
Explanation on application of the practice :	The notice of 19^{th} AGM and Annual Reports 2023 were sent to the shareholders twenty-eight (28) days before the 19^{th} AGM which is well in advance of the twenty-one (21) day requirement set by the Companies Act, 2016 and Company's Constitution. The notice of the 19^{th} AGM was also published in widely circulated newspaper namely The New Straits Times, and website of Bursa Securities and the Company. The additional days enable the shareholders additional time to peruse the resolutions and make discerned decision in cast their votes at the 19^{th} AGM. Each item of special business included in the Notice of the 19^{th} AGM was accompanied by explanatory notes for the effects of a proposed resolution to facilitate full understanding and evaluation issues involved.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2
All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	The Board values the importance of high-level accountability and corporate transparency between the Company and its shareholders. At the 19th AGM held on 29 August 2023, all the five (5) Directors were present in person to engage directly with the shareholders. The three (3) INEDs were also Chairmen and members of the ARMC, NC and RC respectively. The CEO, ED and external auditors were in attendance to answer any questions on the operating and financial performance of the Group. At the AGM, shareholders are encouraged to participate in the question-and-answer session on the resolutions being proposed and to share viewpoints and acquire information on issues relevant to the Group's business operation in general.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<table>
<tr><td>Application :</td><td colspan="2">Departure</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2">Despite the recommendation of Practice 13.3 that the Company should leverage on technology to facilitate voting including voting in absentia and remote shareholders' participation at the General Meeting, the Board has assessed and of the opinion that it is not necessary to have meetings in remote locations as it is deemed not cost effective in view of the current numbers and spread of shareholders of the Company.

The Company adopted voting by poll in its 19th AGM held on 29 August 2023 for all resolutions proposed where shareholders and proxy holders cast votes by way of voting slips which is more cost-efficient compared to electronic voting.</td></tr>
<tr><td colspan="2">Nil.</td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<table>
<tr><td colspan="3">Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</td></tr>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">Shareholders and proxies were allowed to pose questions at the 19th AGM where the Chairman provided ample time during the "Questions and Answers" ("Q&A") sessions.

During the Q&A sessions at the 19th AGM, the Board responded to all questions raised by the shareholders pertaining to the agenda and resolutions tabled prior to putting them for voting. The Board including the CEO, ED and external auditors were in attendance to reply to the shareholders.

In addition, written queries raised by the Minority Shareholders Watch Group were presented to shareholders during the 19th AGM together with the Company's responses.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<table>
<tr><td colspan="4">Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</td></tr>
<tr><td>Application</td><td>:</td><td colspan="2">Not applicable – only physical general meetings were conducted in the financial year</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure</td><td rowspan="2">:</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="4">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure</td><td>:</td><td colspan="2"></td></tr>
<tr><td>Timeframe</td><td>:</td><td></td><td></td></tr>
</table>

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.		
Application :	Applied	
Explanation on application of the practice :	Minutes of the 19th AGM were made available on the Company's website at https://www.yglworld.com/ within 30 business days after the conclusion of the 19th AGM held on 29 August 2023.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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