



Ygl Convergence Berhad

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

IND 4.0



MOBILITY



BIG DATA



BUSINESS
INTELLIGENCE



CLOUD
COMPUTING



QUALITY
ASSURANCE



AUTOMATION



SYSTEM
INTEGRATION

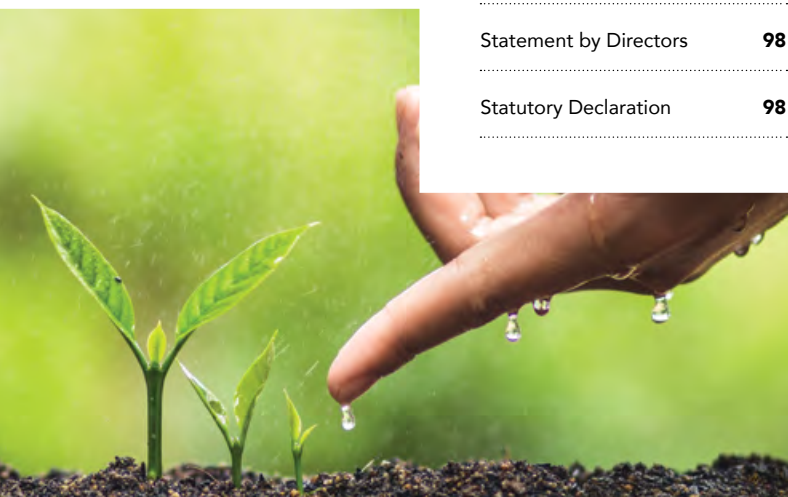


ANNUAL REPORT 2025





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For more information,
visit our website
<https://www.yglworld.com/>

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-First (21st) Annual General Meeting ("AGM") of Ygl Convergence Berhad ("Ygl" or "the Company") will be held at **The George, George Town Penang, Saffron Private Dining, 138, Jalan Penang, 10100 George Town, Pulau Pinang** on **Thursday, 27 November 2025, 10:30 a.m.** for the following purposes: -

AGENDA

As Ordinary Business: -

- | | |
|---|--------------------------------------|
| 1. To receive the Audited Financial Statements for the 15-month financial period ended 30 June 2025 together with the Reports of the Directors and Auditors thereon. | (Please refer to Explanatory Note 1) |
| 2. To re-elect the following Directors who are retiring pursuant to the Clause 76(3) of the Constitution of the Company and being eligible, have offered themselves for re-election: | |
| (i) Mr. Yeap Kong Chean | Ordinary Resolution 1 |
| (ii) Mr. Wan Chia Keong | Ordinary Resolution 2 |
| 3. To approve the payment of Directors' fees (except for the Chief Executive Officer who is also a Director of the Company) of RM100,000.00 for the 15-month financial period ended 30 June 2025. | Ordinary Resolution 3 |
| 4. To approve the payment of Directors' fees (except for the Chief Executive Officer who is also a Director of the Company) of RM80,000.00 for the period from 1 July 2025 until the next AGM of the Company to be held in the year 2026. | Ordinary Resolution 4 |
| 5. 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 28 November 2025 until the next AGM of the Company. | Ordinary Resolution 5 |
| 6. To re-appoint Messrs. Forvis Mazars PLT as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6 |

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:

- | | |
|--|------------------------------|
| 7. Ordinary Resolution: -
Authority to issue and allot shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights | Ordinary Resolution 7 |
|--|------------------------------|

"**THAT** subject always to the Companies Act 2016 (the "Act"), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") 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 as stipulated under Rule 6.04 of the Bursa Securities' ACE Market Listing Requirements;

NOTICE OF ANNUAL GENERAL MEETING

As Special Business: - (Cont'd)

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

Ordinary Resolution 7

THAT pursuant to Section 85 of the Act to be read together with Clause 12(3)(a) of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Section 75 and 76 of the Act;

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;

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 of the Company."

8. To transact any other ordinary 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)
Joint Company Secretaries

Penang
Date: 31 October 2025

(A) Notes:

- For the purpose of determining who shall be entitled to attend the 21st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at **20 November 2025**. Only a depositor whose name appears on this Record of Depositors shall be entitled to attend the 21st AGM or appoint a proxy to attend, speak and vote on his/her/their behalf.
- A member entitled to attend and vote at the 21st 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/her place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to attend and vote at the 21st AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 21st AGM.
- 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.
- 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.
- 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.

NOTICE OF ANNUAL GENERAL MEETING

(A) Notes: (Cont'd)

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 21st 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 ("AMLR") of Bursa Securities, all resolutions set out in the Notice of 21st 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 15-month financial period ended 30 June 2025

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 the Constitution of the Company 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.

Mr. Yeap Kong Chean and Mr. Wan Chia Keong, who are due for retirement in accordance with Clause 76(3) of the Constitution of the Company, have offered themselves for re-election at the 21st AGM.

The profiles of the Directors who are standing for re-election are stated in the Company's Annual Report 2025.

In determining the eligibility of the Directors to stand for re-election at the 21st 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) for Independent and Non-Executive Director ("INED") only, the level of independence demonstrated by the INED and his ability to act in the best interest of the Company; and
- (iii) their ability to act in the best interest of the Company in decision-making.

The Board endorsed 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 - 5: 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 Resolutions 3 & 4) and benefits payable to Directors (Ordinary Resolution 5).

Ordinary Resolution 3 - The proposed Directors' fees of RM100,000.00 for the 15-month financial period ended 30 June 2025 are to be paid to all Directors, with the exception of the Chief Executive Officer who also serves as a Director of the Company. The amount is based on an annual fee of RM20,000.00 for each Director.

Ordinary Resolution 4 - The proposed Directors' fees of RM80,000 for the period from 1 July 2025 until the conclusion of the next AGM, if approved, shall be payable at RM5,000 per quarter to each Director, excluding the Chief Executive Officer who also serves as a Director of the Company.

NOTICE OF ANNUAL GENERAL MEETING

(B) Explanatory Notes: (Cont'd)

3. Ordinary Resolutions 3 - 5: Payment of Directors' fee and benefits made payable to the Directors (Cont'd)

Ordinary Resolution 5 - 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, who are of the view that such benefits are in the best interests of the Company for the period from 28 November 2025 until the conclusion of the next AGM. These benefits comprise customary entitlements, including business travel and accommodation, communication, medical and insurance coverage, as well as other reimbursable benefits.

4. Ordinary Resolution 6: Re-appointment of Auditors

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

5. Ordinary Resolution 7: 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 7 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 2024 (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 Company has issued and listed a total of 17,932,349 Ygl Shares during the years 2023 and 2024 pursuant to Private Placement, utilising the mandate granted at the Extraordinary General Meeting held on 29 August 2023.

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 21st 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.

NOTICE OF ANNUAL GENERAL MEETING

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 21st 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 21st AGM.

CORPORATE INFORMATION

01

Board of Directors

Yeap Kong Chean
Chief Executive Officer

Tan Hoay Leng
Executive Director

Wong Khai Meng
Independent Non-Executive
Director

Muhammed Ali Bin Hajah Mydin
Independent Non-Executive
Director

Wan Chia Keong
Independent Non-Executive
Director

02

Audit and Risk
Management Committee

Chairman

Wong Khai Meng

Members

Muhammed Ali Bin Hajah Mydin

Wan Chia Keong

03

Nominating
Committee

Chairman

Muhammed Ali Bin Hajah Mydin

Members

Wong Khai Meng

Wan Chia Keong

04

Remuneration
Committee

Chairman

Muhammed Ali Bin Hajah Mydin

Members

Wong Khai Meng

Wan Chia Keong

05

Company Secretaries

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

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

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Registered Office

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

07

Share Registrar

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

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Auditors

FORVIS MAZARS PLT
LLP0010622-LCA & AF001954
Wisma Golden Eagle Realty,
11th Floor, South Block,
142-A, Jalan Ampang,
50450 Kuala Lumpur
Tel: 03-2702 5222



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Principal Bankers

Malayan Banking Berhad
Ground Floor, MWE Plaza,
No. 8, Lebuhr 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

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Stock Exchange Listing

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

11

Website

<https://www.yglworld.com/>

PROFILE OF DIRECTORS

01



YEAP KONG CHEAN

Chief Executive Officer

Gender



Nationality



Age

63

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

He graduated with a Bachelor of Commerce (Accounting and Computer Science) from the University of Melbourne in 1984 and is an Associate member of the both Institute of Chartered Accountant in Australia and the Malaysian Institute of Accountants.

He began his career with Ernst & Young Malaysia in 1985, and spent seven (7) years with the firm both in Malaysia and Australia, advising local and international companies across various industries. In 1993, he became a consultant to Ygl Convergence Malaysia Sdn. Bhd. focusing on business re-engineering and ERP deployment. He played a key role in taking Ygl Convergence Berhad public in July 2005 and served as Head of the Industrial Revolution 4.0 Committee of the Malaysia-China Business Council under the Prime Minister's Department from 2018 to 2020.

He has no conflict of interest with the Group and has not been convicted of any offences (other than traffic offences) within the past five (5) years, and has not been subject to any public sanction or penalty by the relevant regulatory authorities during the 15-month financial period ended 30 June 2025.

He attended all six (6) Board of Directors' Meetings held during the 15-month financial period ended 30 June 2025.



PROFILE OF DIRECTORS

02

TAN HOAY LENG

Executive Director

Gender



Nationality



Age

58

Madam Tan Hoay Leng was appointed to the Board on 12 May 2009 and currently oversees the finance and human resources functions of the Ygl Group.

She holds a Bachelor of Commerce degree from the University of Western Australia in 1990. She is a member of both 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 later entered public practice, providing advisory services across a variety of industries, and has extensive experience in public accounting, taxation, outsourcing, and human resource management.



She has no conflict of interest with the Group and has not been convicted of any offences (other than traffic offences) within the past five (5) years, and has not been subject to any public sanction or penalty by the relevant regulatory authorities during the 15-month financial period ended 30 June 2025.

She attended all six (6) Board of Directors' Meetings held during the 15-month financial period ended 30 June 2025.

PROFILE OF DIRECTORS

03



WONG KHAI MENG

Independent & Non-Executive Director

Gender



Nationality



Age



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

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

He graduated from the University of Manchester, United Kingdom, in 2000 and began his career in auditing. From 2010 to 2015, he was the Chief Operating Officer of CC International Berhad, a private professional business services, overseeing human resources, management information system, finance, customer service, and business development. He was promoted to Chief Executive Officer in January 2016, a position he continues to hold.

He has extensive experience in assurance work across a variety of industries and has advised on the establishment and growth of numerous companies in Malaysia and across Asia. He also has experience collaborating with technology start-ups, including those in blockchain and fintech.

He had previously served as an Independent Non-executive Director of a listed technology company from 2009 to 2011.

He has no conflict of interest with the Group and has not been convicted of any offences (other than traffic offences) within the past five (5) years, and has not been subject to any public sanction or penalty by the relevant regulatory authorities during the 15-month financial period ended 30 June 2025.

He attended all six (6) Board of Directors' Meetings held during the 15-month financial period ended 30 June 2025.

PROFILE OF DIRECTORS

04

MUHAMED ALI BIN
HAJAH MYDIN

Independent & Non-Executive Director

Gender



Nationality



Age

54



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

He holds a Bachelor's degree in Electronic Engineering, majoring in Industrial Automation (Microelectronics) from Hanyang University, Seoul, Korea, and a Master's degree in Information Technologies, majoring in Mobile and Internet Security, from University Sains Malaysia. He is currently pursuing a PhD in Manufacturing Engineering at University Malaysia Perlis.

He joined Penang Skills Development Centre ("PSDC") as the Chief Executive Officer from 2014 to 2021, leading workforce transformation programmes in Penang and nationwide. Under his leadership, PSDC has been established as a Centre of Excellence in Industry 4.0 for precision machining and manufacturing processes. From 2005 until 2014, he held senior management positions with a system integrator specialising in telecommunications solutions and with a company focused on computing devices assembly and ICT solutions.

He brings 26 years of experience spanning ICT systems deployment, hardware and software integration, advisory roles, policy development and Industry 4.0 transformation initiatives.

He has no conflict of interest with the Group and has not been convicted of any offences (other than traffic offences) within the past five (5) years, and has not been subject to any public sanction or penalty by the relevant regulatory authorities during the 15-month financial period ended 30 June 2025.

He attended all six (6) Board of Directors' Meetings held during the 15-month financial period ended 30 June 2025.

PROFILE OF DIRECTORS

05



WAN CHIA KEONG

Independent & Non-Executive Director

Gender



Nationality



Age

45

Mr. Wan Chia Keong was appointed to the Board on 1 October 2022 and is a member of the Audit and Risk Management Committee, the Remuneration Committee and the Nominating Committee of the Company.

He holds a Bachelor of Business in Marketing and a Graduate Certificate in Business, both from Auckland University of Technology, New Zealand.

He began his career in 2000 as a Management Trainee in the packaging industry in New Zealand and Australia, progressing through various operational roles with global packaging company, Amcor Flexibles Pty Ltd.

Upon returning to Malaysia in 2003, he joined Thong Guan Industries Berhad ("TGIB") as an Operation Executive and was later promoted to General Manager, where he developed business strategies and oversaw sales and manufacturing operation for the plastic packaging division. He gained extensive international market experience while leading TGIB's export business.

In 2011, he founded the Respack Group of Companies, specialising in flexible plastic packaging and materials. In 2020, he expanded the business into the manufacture of medical face masks and personal hygiene products. Under his leadership and with over twenty (20) years of global packaging-industry experience, the Respack Group has received multiple accolades for innovation and manufacturing excellence.

He has no conflict of interest with the Group and has not been convicted of any offences (other than traffic offences) within the past five (5) years, and has not been subject to any public sanction or penalty by the relevant regulatory authorities during the 15-month financial period ended 30 June 2025.

He attended five (5) out of six (6) Board of Directors' Meetings held during the 15-month financial period ended 30 June 2025.

PROFILE OF DIRECTORS

i. Family Relationships with Director and/or Major Shareholders

Directors	Description
Yeap Kong Chean	Spouse of Madam Tan Hoay Leng, Executive Director of the Company and brother of the late Yeap Kong Tai, a major shareholder of the Company.
Tan Hoay Leng	Spouse of Mr. Yeap Kong Chean, a Director and major shareholder of the Company.

Save for the above disclosure, none of the other Director has any family relationship with any other Director or major shareholder of the Company.

ii. Directors' Shareholdings

Details of the Directors' shareholdings in the Company are set out in the Analysis of Shareholdings section of this Annual Report.



PROFILE OF KEY SENIOR MANAGEMENT

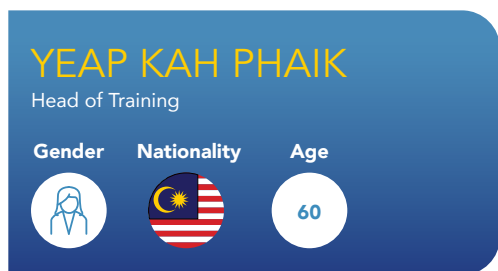


Mr. Yong Cheng Yew joined the Company as Senior Developer Manager on 20 June 2011. He holds a Bachelor's degree in Computer Science and Information Technology from the University of Queensland (2002).

He began his career in 2002 with Mightysoft System Sdn. Bhd. as a Programmer, where he served for three (3) years. He then spent another three (3) years in Platronix Sdn. Bhd. as an Enterprise Resource Planning ("ERP") consultant, responsible for customer implementations, technical issue resolution, requirements analysis, system documentation, design, software development and solutions deployment.

Upon joining the Company in 2011, he developed the Ygl ERP system and managed resource allocation to ensure timely, high-quality software delivery. In 2015, he was promoted to Senior R&D Manager, leading the development of ePortal and ERP solutions with Industry 4.0 capabilities. In December 2019, he advanced to Innovation Manager, overseeing the creation of cloud-based solutions and applications to enhance Ygl's 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 and has not been convicted of any offences (other than traffic offences) within the past five (5) years or subjected to any public sanction or penalty by the relevant regulatory authorities during the 15-month financial period ended 30 June 2025.



Ms. Yeap Kah Phaik joined the Company as Project Manager on 15 January 2015. She holds a Bachelor of Finance from the University of New England (1989).

She began her career as an auditor in accounting firms before joining Flextronics Sdn. Bhd. where she served for 15 years as Manager of Business Process Improvement, System Support and Conversion. During her tenure, she managed enterprise-solutions implementations involving SAP, BAAN, and OutlookSoft. She also gained several years of experience in a multinational company ("MNC") as a System Administrator and Project Implementor.

Upon joining the Company in 2015, she immediately assumed the role of Project Manager for ERP systems. Her multinational and accounting background enabled her to successfully implement the Ygl E-Manufacturing solution for a wide range of clients, including manufacturers, charitable organisations, and property developers. She later transitioned to lead the Training Department, collaborating with the Malaysia Productivity Corporation (MPC) on Industry 4.0 and IIoT training programmes. She is also involved in delivering and showcasing e-Invoicing solutions 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 the late Mr. Yeap Kong Tai, a major shareholder of the Company and 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, representing a 0.64% equity interest.

She does not hold any directorships in any other public listed companies and has no conflict of interest with the Company. She has not been convicted of any offences (other than traffic offences) within the past five (5) years and has not been imposed any public sanction or penalty by the relevant regulatory authorities during the 15-month financial period ended 30 June 2025.

PROFILE OF KEY SENIOR MANAGEMENT

HO SOO WEE

Group Marketing Manager

Gender



Nationality



Age

57

Mr. Ho Soo Wee joined the Company as Assistant Marketing Executive on 2 February 2006. He holds a Bachelor of Computer Studies from Edith Cowan University, Western Australia (1991) and a Master of Business Administration from the University of Portsmouth, United Kingdom (1995).

He began his career in 1991 with B. Braun Medical Industries Sdn. Bhd., where he progressed from Assistant System Engineer to System Engineer and Analyst Programmer, responsible for system security, network connectivity, integration and documentation of network structures, hardware/software configuration, and recovery plans.

In 1995, he transitioned to the financial sector as a dealer's representative in equities and options with Thong & Kay Hian Securities Sdn. Bhd.. Following its acquisition by Hwang-DBS Securities Berhad in 2004, he remained there until 2006.

He became the Group Marketing Manager on 1 October 2006 and established Ygl's marketing department, planning and implementing strategies aligned with the Company's brand objectives. He gained extensive experience collaborating with public relation firms to launch investor-relations events and build relationship with media and customers.

Drawing on his diverse background, he contributes actively to management meetings and currently leads the Company's Corporate Social Responsibility initiatives, motivating employees to expand their capabilities, strengthen commitment, and stay focused on common organisational goals.

He holds 50,200 ordinary shares in the Company, representing 0.02% of its issued share capital.

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 and has not been convicted of any offences (other than traffic offences) within the past five (5) years or subjected to any public sanction or penalty by the relevant regulatory authorities during the 15-month financial period ended 30 June 2025.

YEAP SEONG SUN

Head of Consulting

Gender



Nationality



Age

32

Mr. Yeap Seong Sun joined the Company as a consultant on 16 June 2020. He holds a Bachelor's degree in Accounting from DePaul University, Chicago, USA (2017).

He began his career in January 2018 as an auditor with Crowe Malaysia, rising to position of Senior Auditor before leaving in June 2019. He then joined the advisory division of KPMG Malaysia in July 2019, gaining experience in accounting, audit and internal controls, process flows, and operations, with exposure to multiple ERP systems, including SAP.

He joined the Company in 2020 as an ERP consultant, participating in end-to-end implementations for projects across various industries. Leveraging his accounting background and ERP knowledge, he quickly assumed greater responsibilities and was promoted to Project Manager on 1 November 2021. In this role, he has successfully restructured the project team, strengthened project milestones and deliverables, and continues to enhance team performance while ensuring product and service excellence for 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 4.0 million ordinary shares in the Company, representing 1.46% equity interest.

He does not hold any directorships in any other public listed companies and has not been convicted of any offences (other than traffic offences) within the past five (5) years or subjected to any public sanction or penalty by the relevant regulatory authorities during the 15-month financial period ended 30 June 2025.

PROFILE OF KEY SENIOR MANAGEMENT

CHIN KONG TAI

General Manager

Gender



Nationality



Age

55

Mr. Chin Kong Tai joined the Company as General Manager of Solar Division on 1 April 2023. He holds a Bachelor's degree in Electrical Engineering from University of Texas at Austin, USA (1992).

He began his career with Motorola Penang as a Quality Assurance Engineer, responsible for the quality and reliability of the handheld and mobile radio. After three (3) years, he joined Lucent Technologies as a Site Engineer supporting Celcom in deploying Malaysia's first 2G GSM mobile network, and was promoted to Technical Support Manager within four (4) years. From 2000 to 2005, he gained extensive international experience as a consultant for Nokia Taiwan, Nokia China and Alcatel Lucent Brunei on 2G mobile network rollout.

In 2006, he joined UCE Sdn. Bhd. ("UCE") as a Project Manager and later became its Director, building broad engineering expertise in telecommunication services for global brands such as Nokia, Huawei, Ericsson and ZTE. In 2014, he led UCE's transition into a full turnkey telecommunications solution provider and contributed to the development of a solar hybrid solution for a UCE subsidiary involved in solar EPCC projects.

To further his entry into the renewable energy sector, he obtained certificate in solar photovoltaic system designed from the Sustainable Energy Development Authority of Malaysia (SEDA) in 2019.

Since joining the Company in 2023, he has revamped its solar energy strategy to focus on Commercial & Industrial (C&I) market and improved both operating and capital expenditures, achieving profitability within a year. Under his leadership, the renewable energy business has become a new revenue pillar for the Group, supporting its commitment to sustainable manufacturing through ERP solutions.

He holds 100,000 ordinary shares in the Company, representing 0.04% of its issued share capital.

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 and has not been convicted of any offences (other than traffic offences) within the past five (5) years or subjected to any public sanction or penalty by the relevant regulatory authorities during the 15-month financial period ended 30 June 2025.



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 am pleased to present the Annual Report and Financial Statements of the Group and the Company for the 15-month financial period ended 30 June 2025 ("FY2025").

Our government's commitment to Artificial Intelligence ("AI"), Environmental, Social and Governance (ESG) practice and digitalisation remains strong, with clear blueprint, key policies and forward-looking roadmaps charting the nation's journey towards becoming an advanced economy. Businesses play a pivotal role in this transformation by leveraging technology to enhance productivity and drive growth. Ygl Enterprise Solution provides a robust digitalisation platform that enables businesses to achieve greater efficiency while capturing essential data for compliance and reporting on greenhouse gases ("GHG") emissions.

The National Fourth Industrial Revolution (4IR) Policy continues to be highly relevant in the age of AI, which is reshaping industries and economies on a global scale. AI and industrial automation are revolutionising business operations, from production and supply chain management to finance, administration, and decision-making processes. Many conventional routine tasks are being replaced by AI, underscoring the need for businesses to adopt specialised enterprise solutions powered by these technologies in order to transform swiftly and remain competitive. With our domain expertise and core competencies in enterprise computing, smart manufacturing and smart warehousing, Ygl is well-positioned to harness these advances and deliver value in areas that are increasingly critical to businesses.

Since the humble beginning of Ygl renewable energy operation in 2020, launched amid the challenges of the pandemic, we have made steady progress in both commercial and residential projects. Solar systems are increasingly the preferred choice for users seeking cost savings while reducing their carbon footprint. We remain committed to upholding high standards in execution and delivery as we continue to build a niche presence in the solar energy segment.

Overview of Group's Business and Operations

The global business landscape has faced significant disruptions, driven by the tariffs and protectionist policies introduced by the United States since early 2025, coupled with the unpredictability of its trade policies. These developments have posed challenges to our customers with both local and export markets, requiring them to make strategic adjustments across various aspects of their businesses.

At the same time, the oversupply of solar panels by Chinese manufacturers has kept the prices at competitive level, making solar installation in Malaysia increasingly accessible and cost-effective. While these external factors have influenced the Group's business and operations during FY2025, we view them as opportunities to adapt, strengthen our value propositions, and continue building resilience for sustainable growth.

Financial Performance Review

The Group changed its financial year-end from 31 March to 30 June, resulting in a 15-month reporting period for FY2025 compared to a 12-month period for FY2024. Accordingly, direct comparison between the two periods may not be entirely meaningful.

For FY2025, the Group recorded revenue of RM16.03 million and a gross profit of RM5.45 million, representing a margin of 34.0%. Net profit attributable to ordinary equity holders of the parent was RM2.43 million. By comparison, in FY2024 the Group achieved revenue of RM11.00 million with a gross profit of RM4.08 million at a margin of 37.1%, and a net profit attributable to ordinary equity holders of RM0.60 million.

Net profit per share attributable to ordinary equity holders improved significantly to 0.89 sen in FY2025 from 0.23 sen in FY2024, reflecting stronger financial performance.

Software Segment

The software segment contributed revenue of RM6.69 million in FY2025, with net profit from operations of RM1.10 million.

Solar Segment

The solar segment generated revenue of RM9.34 million in FY2025, with net profit from operations of RM1.82 million.

CHIEF EXECUTIVE OFFICER'S STATEMENT, MANAGEMENT DISCUSSION & ANALYSIS



Software Development

In FY2025, the Group revised its accounting treatment for research and development ("R&D") costs. Software development expenditure is no longer capitalised in the balance sheet, with all related programming team costs now fully expensed in the income statement. Despite this change, the Group remains committed to continuous innovation, incorporating AI technology and GHG emissions tracking into our solutions. Total R&D investment for FY2025 amounted to RM1.04 million.

Strategies and Initiatives

Looking ahead, Ygl will continue to focus on its core competencies and domain expertise in enterprise computing, smart manufacturing, smart warehousing, and solar solutions. The Group believes that securing higher-end customers, alongside growth in product sales volume, will strengthen its financial position.

Key undertakings for both of the software and solar segments include:

- (i) Ongoing R&D activities embracing emerging technologies;
- (ii) Sustained marketing campaigns and brand-building initiatives;
- (iii) Establishing a partner network to foster win-win opportunities; and
- (iv) Collaborating with government agencies to enhance market reach and credibility.

Future and Prospects of Ygl Group

Looking ahead, technological advances such as AI and the growing importance of Environmental, Social and Governance (ESG) compliance will continue to drive enterprises to transform in order to remain competitive. These advances, together with regulatory requirements, must be effectively implemented and integrated through Enterprise Computing Solutions. While geopolitical tensions and trade tariffs present external challenges, the need for businesses to adopt digital tools and solutions is inevitable. Government grants and incentives for digitalisation are timely and provide meaningful support in equipping Malaysian enterprises to compete on a global scale.

Malaysia's commitment to expanding renewable energy capacity also provides a strong tailwind for Ygl's solar panel installation business. Government initiatives, coupled with the increasing emphasis on sustainability by both businesses and households, are expected to generate a steady pipeline of projects. Notably, the introduction of the Community Renewable Energy Aggregation Mechanism (CREAM) will allow homeowners to lease rooftop space to third-party developers, who will in turn sell electricity directly to local consumers without requiring upfront investment. Such initiatives are expected to broaden opportunities in the solar energy market, where Ygl is well-positioned to establish a meaningful presence.

Appreciation

On behalf of the Board, I would like to express my sincere appreciation to:

- our valued customers for their trust and for sharing our business philosophy;
- our business partners for their collaboration in delivering effective and innovative solutions;
- my fellow Board members for their guidance, wisdom and commitment;
- our management team and employees for their dedication, hard work, and contribution towards realising our corporate vision; and
- our shareholders for their unwavering confidence and continued support.

Together, your support and commitment have been instrumental in driving the Group forward, and we look forward to achieving greater milestones in the years ahead.

Yeap Kong Chean
Chief Executive Officer

Date: 28 October 2025

SUSTAINABILITY STATEMENT

ABOUT
THIS STATEMENT

Ygl Convergence Berhad ("Ygl" or "the Company") is honoured to present our Annual Sustainability Statement ("SS" or the "Statement") for the 15-month financial period ended 30 June 2025. This Statement provides an overview of the Company and its subsidiaries' sustainability performance for the period from 1 July 2024 to 30 June 2025 ("FY2025"), unless stated otherwise.



ABOUT THIS
SUSTAINABILITY
STATEMENT

This Sustainability Statement (the "Statement") provides a comprehensive overview of the sustainability performance of Ygl and its subsidiaries ("Ygl Group"), focusing on key Economic, Environmental, Social, and Governance ("EESG") pillars. It highlights our progress, identifies risks and opportunities during the financial period, and outlines our forward-looking action plans.

This Statement demonstrates how we integrate both financial and non-financial considerations into our overall strategy, reflecting our commitment to balanced, responsible, and sustainable growth.

We are pleased to share the steps we are taking to deliver long-term value to our stakeholders by embedding sustainability across our operations. At Ygl, we are committed to advancing sustainable development through environmentally conscious practices and by providing innovative, energy-efficient solutions that support a low-carbon future.

Our sustainability journey is guided by a focus-on long-term value creation — not only for our stakeholders but also for the broader communities and ecosystems in which we operate. By fostering continuous improvement, forging strategic partnerships, and championing responsible innovation, we strive to uphold the highest standards of environmental stewardship, social well-being, and corporate governance.

Ygl remains steadfast in our mission to drive positive change and promote sustainable growth for generations to come.

OUR CORE BUSINESSES

Information Technology

Our Information Technology division is a leading provider of enterprise solutions, offering technology consulting and system integration.

Revenue:
RM5,867,939
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 provider of solar installation and green technology system integration.

Revenue:
RM8,203,882
million

Transformed more than
500
commercials/residentials
in Malaysia

100%
success track record
in project
implementation

SUSTAINABILITY STATEMENT

Ygl is a renowned system integrator, partnering with leading machine connectivity vendors to deliver end-to-end solutions that seamlessly connect machine data with our powerful ERP platform. This integration enables advanced capacity planning, strategic analysis, and enterprise-wide visibility, allowing organisations to achieve rapid returns on investment while leveraging a flexible IT infrastructure designed for innovation and sustainable growth.

Our ERP system is built with flexibility and advanced functionality to meet the diverse needs of organisations across multiple industries. Fully integrated across Sales and Purchase cycles, Inventory and Warehouse Management, Production, and Shop Floor Controls, Ygl ERP streamlines processes and enhances operational efficiency. With real-time dashboards and insightful reports, management can monitor financial, sales, and operational performance instantly, driving smarter, data-driven decisions.

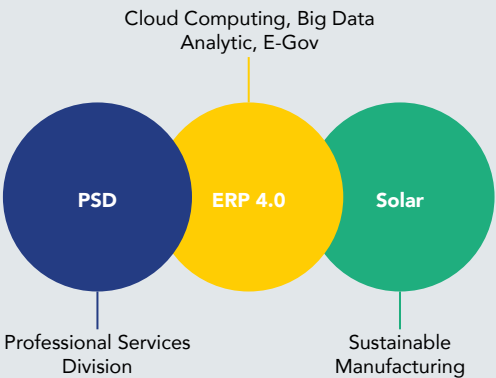
Aligned with Industry 4.0 principles, our ERP system conforms to international standards and complies with key Malaysian regulations, including Sales & Service Tax ("SST"), Malaysian Financial Reporting Standards ("MFRS"), and Malaysian Private Entities Reporting Standard ("MPERS"). Highly scalable, our solution supports businesses of all sizes and budgets, enabling both vertical and horizontal integration across suppliers, customer service networks, and internal systems. Through web-enabled technologies and intelligent computing, Ygl ERP empowers enterprises to embrace e-business models with enhanced connectivity and centralised oversight.

Committed to building a world-class Malaysian brand, Ygl upholds responsible business practices that positively contribute positively impact society. As a pioneer of the Industrial Revolution 4.0, Ygl proudly leads the Malaysia-China Business Council committee under the Prime Minister's Department of Malaysia. With official recognition as a primary Industry 4.0 solution provider, we collaborate closely with key agencies, including SME Corporation Malaysia and the Malaysia Productivity Corporation (MPC), to drive national digital transformation.

Ygl continues to champion workforce empowerment through technology. Our Ygl ERP 4.0 system exemplifies flexibility and adaptability, developed with locally owned intellectual property and source code, allowing full customisation to meet clients' unique operational needs. Seamlessly integrating with both local and global applications, our ERP connects effortlessly to Smart Machines and IIoT devices, delivering real-time intelligence and operational efficiency.

Proudly priced in Ringgit Malaysia, Ygl's ERP 4.0 solutions offer exceptional value, enabling organisations to maximise their return on investment while progressing towards a smarter, more connected, and sustainable future.

Company Positioning



SUSTAINABILITY STATEMENT

With over two decades of proven expertise as a dominant reseller and implementation partner for the world's top five ERP vendors, we deliver world-class enterprise solutions grounded in international best practices. Our user-centric approach ensures fast and effective implementations, thoughtfully tailored to meet the unique requirements of the Asian business environment. Designed for simplicity and flexibility, our solutions can be easily managed by teams across varying skill levels.

Our Finance and Costing expertise is unparalleled, supported by a team of Chartered Accountants and over 20 years of collaboration with leading ERP vendors. We are certified in Asian Government indirect tax regimes, including GST, SST, and VAT, and adhere strictly to international financial standards such as IFRS and MPERS.

Since 1993, Ygl has successfully completed more than 1,000 implementations, earning both international and local recognition for excellence. These achievements firmly establish us as a trusted industry leader, consistently delivering value, innovation, and measurable results for our clients.

WHERE YGL OPERATES

Ygl operates across Malaysia, Singapore and Hong Kong, China. Our Information Technology division has a presence in Penang and Kuala Lumpur of Malaysia, as well as in Singapore, delivering enterprise solutions and technology services. Meanwhile, our Solar Technology division operates in Kuala Lumpur, Malaysia, focusing on green technology system integration and solar installations.

Malaysia

Key location:

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

Singapore

Key location:

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

Hong Kong

Key location:

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



SUSTAINABILITY STATEMENT

Information Technology Developments

Manufacturers in the following industries:

- Food
- Metal
- Paint
- Paper

- Plastic
- Wood
- Distributors

PROJECTS
IN MALAYSIA

Solar Technology Installation

Roof top for the following:

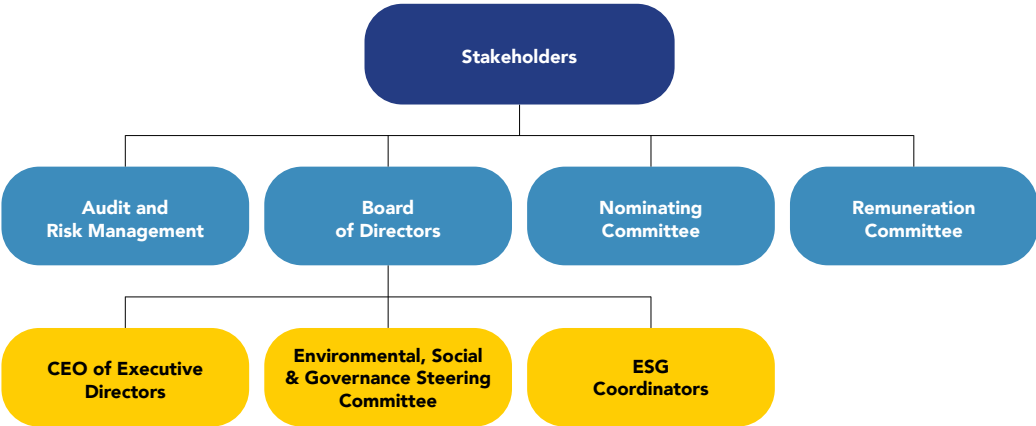
- Factories
- Petrol station
- Banks

- School
- Offices



SUSTAINABILITY STATEMENT

GOVERNANCE STRUCTURE



ESG Steering Committee

Tan Hoay Leng Chief People Officer (Employee Wellbeing & Engagement)	01
Humphrey Ho Soo Wee Investor Relation	02
Yeap Kong Chean Risk, Integrity and Community	03
Yeap Kah Phaik Chief Sustainability Officer	04
Tan Hoay Leng Chief Community Officer (Community)	05
Sugantharan Internal Audit	06
Yu Yan Fen ESG Taskforce	07
Siti Norhafizah Binti Othman ESG Taskforce	08

Sustainability Governance Structure (GRI 2-9)

At Ygl, we prioritise a robust and effective governance framework that upholds transparency, accountability, and clearly defined roles and responsibilities. This framework ensures efficient decision-making, empowering our teams to confidently develop and implement sustainable strategies. Our commitment to strong governance not only guides our actions but also reinforces our dedication to responsible and ethical practices, contributing to the Group’s long-term success and resilience.

In line with the **Global Reporting Initiative (GRI) 2-9 guidelines**, our governance structure includes:

- **Highest Governance Body:** The Board of Directors (“the Board”), responsible for overseeing Ygl’s impacts on the economy, environment, and society.
- **Committees of the Board:** Specialised committees focusing on areas such as audit, risk management and sustainability, ensuring comprehensive oversight and strategic alignment.
- **Composition Details:** The Board comprises both executive and non-executive members, with considerations for diversity, independence, tenure, and relevant competencies to effectively manage the organisation’s impacts.

This structured approach aligns with global best practices, ensuring that Ygl’s sustainability governance is both comprehensive and effective.

Ygl recognises the importance of sustainable governance and integrates it across all operations and procedures.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

(GRI 2-3)

Ygl Convergence Berhad ("Ygl" or "the Company") is honoured to present our Annual Sustainability Statement ("SS" or the "Statement") for the 15-month financial period ended 30 June 2025. This Statement provides an overview of the Companies and its subsidiaries' sustainability performance for the period from 1 July 2024 to 30 June 2025 ("FY2025"), unless stated otherwise.

Restatement of information for this reporting cycle can be found in the Performance Data table page 67 to 71. (GRI 2-3)



SCOPE AND BASIS OF SCOPE

(GRI 2-2)

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.

The following has been excluded from our reporting scope:

Operations in Singapore as we maintain only virtual sales office in the country which has insignificant impact on the Group's overall sustainability performance and progress.

Reporting Frameworks and Standards

We are committed to meeting the Sustainability Listing Requirements set by Bursa Malaysia Securities Berhad ("Bursa Securities") and adhering to the guidelines outlined in Bursa Securities' Sustainability Reporting Guide (3rd Edition). Our disclosures are also aligned with globally recognised frameworks, including Global Reporting Initiative ("GRI") Standards, and Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations, Sustainability Accounting Standards Board ("SASB") Standards and the International Sustainability Standards Boards ("ISSB") Standards.

Ygl Group is actively working towards aligning its sustainability disclosures with the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards, specifically IFRS S1 and IFRS S2. In support of our commitment to greater transparency, consistency, and global comparability, we have initiated an internal review and mapping exercise to assess and reference relevant IFRS-related disclosure requirements. The mapping framework is currently under development and is targeted for inclusion in our next reporting cycle. This represents a strategic step in enhancing our sustainability reporting practices and aligning with globally recognised standards.

Assurance Report

This Statement has not been externally assured for the current reporting period. Our immediate focus remains on strengthening internal data collection processes and enhancing the accuracy and consistency of our sustainability disclosures.

As we progress in our sustainability journey, we recognise the importance of credibility and transparency. We are committed to continuously improving our reporting practices and intend to seek assurance—either through internal review mechanisms or by engaging an independent external assurance provider—in future reporting cycles.

Feedback (GRI 2-3)

We welcome and encourage our stakeholders to provide feedback on this Statement and the issues covered. Please direct your comments to our Sustainability Department at sustainability@yglworld.com.

SUSTAINABILITY STATEMENT

OUR FOCUS ON SUSTAINABILITY

(GRI 2-14)

Ygl is dedicated to conducting business with a long-term perspective, aiming to achieve sustainable benefits for both the Company and its stakeholders. We continuously monitor industry trends, address operational challenges, and respond to stakeholder expectations to generate enduring value for our shareholders, stakeholders, and the wider community. Our commitment extends to upholding the highest standards in our work while acting as responsible stewards of the environment and the interests of our stakeholders.

Our organisation has established a robust foundation through the implementation of a comprehensive sustainability policy, the establishment of governance structures, and alignment with the United Nations Sustainable Development Goals ("UNSDGs"). These efforts have resulted in notable progress within our sustainability framework. Ygl is well-positioned to continue making positive contributions to sustainability, with a strong focus on addressing ESG concerns and enhancing the quality of our initiatives. We actively demonstrate our values by integrating the sustainability into our broader approach to ESG considerations.

Sustainability Strategy and Alignment to UNSDGs

Our sustainability framework guides Ygl's efforts to operate responsibly, minimise environmental impact, and contribute positively to society. We fully embrace the UNSDGs for 2030, recognising them as a global call to action to tackle pressing challenges. These 17 goals serve as a roadmap for fostering collaboration among communities, corporations, and governments, enhancing sustainability practices, and collectively tackling critical global issues.

OUR APPROACH TO SUSTAINABILITY



SUSTAINABILITY GOVERNANCE

(GRI 2-14)

Ygl recognises the importance of sustainable governance and integrates it across all facets of our operations. Our established governance framework strengthens stakeholder value across both business and sustainability dimensions. We embed sustainability into our daily strategies by engaging with employees, partners, shareholders, government entities, customers, communities, and the media to advance our sustainability initiatives. Our commitment extends to continually enhancing governance structures and processes, ensuring adherence to high ethical standards and full compliance with relevant laws and regulations in all operational jurisdictions.

SUSTAINABILITY STATEMENT

To promote sustainability within our organisation, we are committed to ensuring that all stakeholders are well-informed and actively engaged in our initiatives. Our approach includes:

Educational Workshops and Seminars:

We organise tailored sessions for key internal stakeholders, such as division and department heads, to foster a supportive culture and align our sustainability objectives with the Company's values.

Active Promotion of Sustainability Principles:

We emphasise awareness, understanding, commitment, action, evaluation, and monitoring among our leaders and both internal and external stakeholders. This is achieved through open and consistent communication, collaboration, and partnerships, fostering a shared vision for a sustainable future.

Stakeholder Engagement:

We actively involve stakeholders in decision-making and implementation, building trust, encouraging collaboration and driving significant change.

By focusing on these key steps, we aim to collectively achieve our sustainability goals and cultivate a culture of shared responsibility and commitment to a sustainable future.

BOARD OF DIRECTORS

The Board of Directors is responsible for:

- Providing guidance on key economic, business, environmental, and social issues.
- Ensuring sustainability practices are integrated into all critical decision-making processes and implementations.
- Approving the sustainability and risk management framework.
- Deliberating on sustainability and risk governance issues.

SUSTAINABILITY COMMITTEE WORKING GROUP

The Sustainability Committee Working Group is responsible for:

- Comprising leaders and members from our various business units and divisions, the working group is tasked with overseeing the execution, monitoring, and achievement of ESG initiatives and performance.

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT

(GRI 2-29)

At Ygl, we are committed to consistently and effectively engaging a diverse array of stakeholders—including businesses, organisations, government authorities, and individuals—in our operations and long-term planning. We believe that transparent communication is fundamental to building trust, enabling us to share our vision and dedication to sustainability, which we consider vital for the success and resilience of our business as we pursue growth objectives.

To support our long-term business goals, we systematically identify, prioritise, and actively engage with stakeholders. This approach ensures that all relevant parties are considered in shaping our sustainability and business strategies. By valuing the insights and perspectives of our stakeholders, we develop robust strategies that align with our vision for a sustainable future and drive the achievement of our business objectives.

Effective stakeholder engagement is crucial for sustainability initiatives, as it fosters collaboration, builds trust, and ensures the successful implementation of sustainability initiative. By involving employees, customers, investors, suppliers, and the wider community, we gain diverse perspectives and address concerns that might otherwise hinder the adoption of sustainable practices.

Moreover, stakeholder engagement is a key element of corporate social responsibility (CSR) and achieving the triple bottom line. Engaging stakeholders through dialogue allows us to identify and manage sustainability risks more effectively, leading to better project outcomes, enhanced reputation, and reduced risks, thereby laying a solid foundation for sustainable solutions.

By integrating stakeholder engagement into our sustainability efforts, we ensure that our strategies are comprehensive, responsive to stakeholder expectations and align with the needs of those we impact, thereby enhancing the overall effectiveness and acceptance of our initiatives.

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 Meeting - Annual Report	- Business strategies and future plans - 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

SUSTAINABILITY STATEMENT

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 and 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

SUSTAINABILITY STATEMENT

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

(GRI 3-1)

In fiscal year 2025, Ygl's Sustainability Committee conducted a comprehensive reassessment of previously identified material topics to ensure continued alignment with stakeholder concerns. This periodic review enhances our ability to address emerging sustainability risks and opportunities, reinforcing our commitment to transparency and stakeholder engagement in sustainability reporting.

Following a thorough evaluation, management has reaffirmed the relevance of our thirteen (13) existing material topics, maintaining consistency with the previous reporting period. Additionally, Health & Safety has been introduced as a new material topic—bringing the total to fourteen (14)—reflecting its growing importance to our business. This addition underscores our ongoing commitment to addressing the most pertinent and impactful issues affecting our operations.

Our materiality assessment was benchmarked against local industry peers and considered emerging risks as well as relevant frameworks, including Bursa Securities' Sustainability Reporting Guide (3rd Edition), the GRI Standards, and the SASB Standards.

By reaffirming these material topics, Ygl ensures that our sustainability efforts remain focused on areas of greatest significance. Efforts remain focused on areas of greatest significance to both stakeholders and business operations, enhancing the overall impact and effectiveness of our sustainability strategy. The outcomes of this process are presented in the following materiality matrix, categorising each topic based on its level of significance and influence.

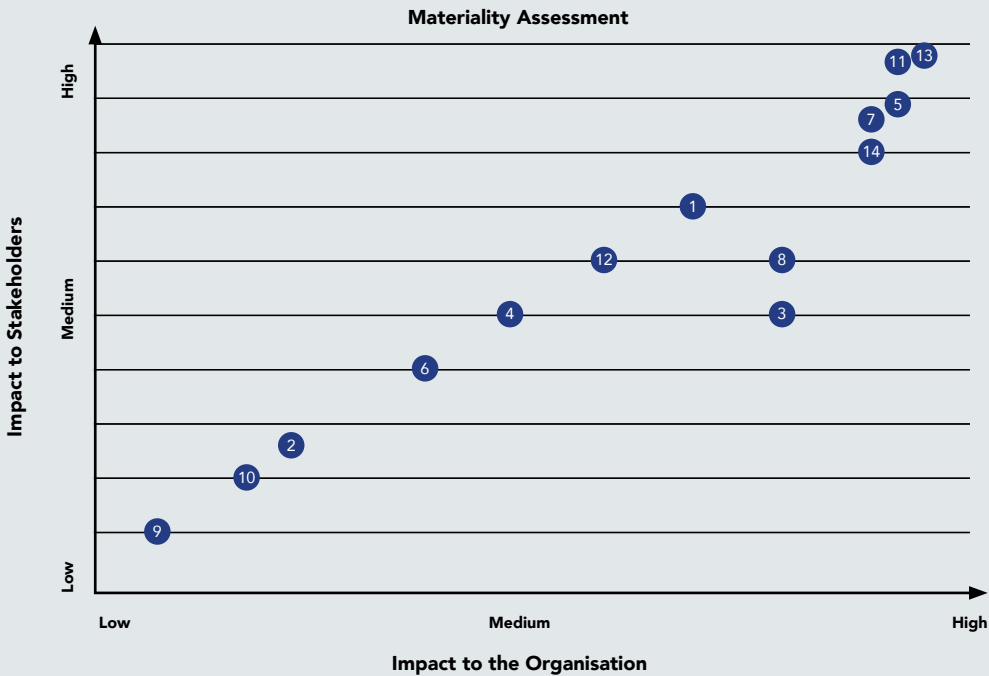
SUSTAINABILITY STATEMENT

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: - No confirmed incidents of corruption in FY2025. Whistleblowing: - No complaints were received during FY2025.
Health & Safety	Strong safety culture with conducive working environment improves employees' wellbeing and productivity and maintains reputation.
Cybersecurity & Data Protection	Safeguarding the company from cyber threats including protecting customers' sensitive information and preventing data breaches.
Customer Satisfaction	Regular customer engagements facilitate continuous improvement to meet customer's expectations.
Employee Management	We are committed to recruiting and retaining top talent while continuously enhancing the overall productivity of our workforce. As part of our recognition efforts, we rewarded our Heads of Department with gold brooches and pins — a total of 3 gold brooches valued at RM6,900 for male employees, and 5 gold pins valued at RM11,000 for female employees.
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. Developed Smart Halal Monitoring System: The Smart Halal Monitoring System is a cloud-based solution deploying Industry 4.0 & Machine Learning technologies to track the manufacturing processes of Halal Finished Goods together with the consumption of Halal raw material and the manufacturing environment to ensure the compliance with JAKIM standard.

SUSTAINABILITY STATEMENT

MATERIALITY MATRIX 2025

(GRI 3-2)



Ygl's Material Matters

1	Anti-Corruption
2	Community/Society
3	Diversity, Equity & Inclusion
4	Energy & Fuel Efficiency
5	Customer Satisfaction

6	Supply Chain Management
7	Technology, Innovation & Development
8	Cybersecurity & Data Protection
9	Water Management
10	Waste Management

11	Economic Performance
12	Employee Management
13	Product & Services Quality
14	Health & Safety

Our Materiality Matrix reinforces our focus on key material matters that form the basis of this Statement, while the corresponding indicators enables effective monitoring and measurement of our sustainability performance.

SUSTAINABILITY STATEMENT

SUSTAINABILITY FRAMEWORK

(GRI 2-22,2-23)

Ygl has enhanced its sustainability framework to align closely with our business strategy, guided by the Group’s vision and mission. This framework underscores our commitment to addressing stakeholder needs, minimising environmental impact, and contributing positively to the communities in which we operate.

Our focus areas are:

Delivering Excellence	Responsible Supply Chain	Empowering Our People and the Community	Caring for the Environment
Ensuring high-quality products and services that meet or exceed stakeholder expectations.	Promoting ethical practices and sustainability throughout our supply chain.	Investing in employee development and community engagement initiatives.	Implementing strategies to reduce our environmental footprint.

To achieve the objectives under each focus area, we address concerns related to our material matters and have established specific, measurable targets to accelerate and monitor our sustainability performance. By integrating these targets into a performance scorecard, we can effectively track progress and drive continuous improvements.

Through the refinement of our sustainability framework and the establishment of measurable targets, Ygl demonstrates its dedication to transparency, accountability, and sustainable growth.



SUSTAINABILITY STATEMENT

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 of our community

Caring for the Environment

Reducing carbon footprint and minimising environmental impacts operations

Economic Performance

Anti-Corruption

Cybersecurity & Data Protection

Customer Satisfaction

Product & Services Quality

Technology, Innovation & Development

Supply Chain Management

Health & Safety

Employee Management

Diversity, Equity & Inclusion

Community Investment

Waste Management

Water Management

Energy & Fuel Efficiency

In alignment with:



SUSTAINABILITY STATEMENT

OUR BUSINESS PERFORMANCE

At Ygl, a leading Malaysian technology company, our mission is to exceed customer expectations by delivering high-quality, competitively priced solutions and services. We are committed to sustainable development, technological innovation, and supporting our local community through employment and strategic supplier partnerships. We prioritise a deep understanding of our customers' evolving needs, ensuring a resilient supply chain that supports continuous growth.



MANAGEMENT APPROACH FOR MATERIAL MATTERS

ECONOMIC PERFORMANCE

(GRI 201-1)

Related UNSDGs



Why is this important?

Ygl's financial performance reflects our steadfast commitment to creating long-term value and advancing our sustainability agenda. We recognise our responsibility to generate meaningful employment opportunities and drive economic growth in the communities we serve. Our overarching goal is to ensure lasting resilience by optimising the use of our assets and equitably sharing the value created with our stakeholders. This approach not only promotes community development but also strengthens our commitment to sustainable business practices, reinforcing the intrinsic link between financial success and corporate responsibility.

Our approach

Ygl's approach to sustaining and enhancing economic performance is driven by the effective execution of our business strategy. This includes staying abreast with market trends, maintaining a healthy balance sheet and strong cash flow, advancing technological innovation, mitigating business risks, and expanding our market presence through diversification into new geographies.

SUSTAINABILITY STATEMENT

Our performance

In FY2025, the Group recorded a total revenue of RM14.07 million, representing a 19.03% increase compared to the previous financial year. For further details on our financial performance, please refer to the Management Discussion & Analysis section in the Annual Report 2025 of the Company.

	2025 RM	2026 RM	2027 RM
Economic value generated (i.e., revenue and other income)	14,071,821	-	-
Economic value distributed:		-	-
• Operating costs	7,621,005	-	-
• Employee wages and benefits	4,858,982	-	-
• Payment to providers of capital (i.e., dividend and financing cost)	-	-	-
• Payment to government (i.e., tax)	481,915	-	-
• Community investment	14,300	-	-
Economic value retained	1,095,619		

ANTI- CORRUPTION

(GRI 205 -1, 205-2, 205-3)

Related UNSDGs



Why is this important?

Ygl upholds the highest standards of business ethics and compliance across the Group, guided by our core values of **Conscious Enterprise**, **Fulfilling Life**, **Harmonious Society**, and **Sustainable World**. This steadfast commitment safeguards the interests of our business and stakeholders while fostering trust and reinforcing their confidence in the Group.

Our approach

The Board and senior management are steadfast in their commitment to upholding integrity in all business dealings, as guided by our Code of Conduct ("CoC"). The CoC outlines Ygl's core principles and ethical standards for all employees and Directors, providing clear guidance on ethical decision-making and responsible conduct in the performance of their duties.

Our unwavering zero-tolerance stance against corruption is reinforced through the Group's Anti-Bribery and Corruption ("ABC") Policy, which is periodically reviewed to ensure ongoing compliance with the Malaysian Anti-Corruption Commission ("MACC") Act 2009.

In addition, Ygl has established a dedicated whistleblowing channel under the Whistleblowing Policy, enabling employees and external stakeholders to confidentially report any form of misconduct via email, telephone, or mail. To enhance transparency and accessibility, both the CoC and Whistleblowing Policy are made available on our company website and company intranet for the reference of all stakeholders.

SUSTAINABILITY STATEMENT

Our performance

Corruption risk assessment

Ygl conducted a comprehensive corruption risk assessment covering 100% of our operations, including both the Solar Technology and Information Technology segments. The assessment aimed to identify, evaluate, and mitigate potential corruption risks across our business processes, supply chains, and partner engagements. The findings are utilised to strengthen internal controls, enhance transparency, and ensure continued compliance with the MACC Act 2009 and Ygl's ABC Policy.

	2025	2026	2027
Percentage of operations that underwent corruption risk assessments	100%	-	-

Corruption incidents

As of June 2025, no incidents of corruption were reported across Ygl's business operations.

	2025	2026	2027
Number of confirmed corruption incidents	0	-	-



SUSTAINABILITY STATEMENT

HEALTH & SAFETY

(GRI 403-1, 403-4, 403-5, 403-9)

Related UNSDGs



Why is this important?

We prioritise the health and safety of our employees, contractors and stakeholders across our operations. We are committed to providing a safe, healthy and conducive work environment that prevents workplace injuries and illnesses. This commitment not only safeguards lives but also enhances productivity, operational efficiency, and supports sustainable business growth.



Our Approach

Our commitment to workplace health and safety is guided by a robust Group Health and Safety Policy and supported by an Occupational Health and Safety Management System (OHSMS) aligned with Malaysia’s Occupational Safety and Health Act 1994.

Key initiatives include:

Clearly defined OSH responsibilities across departments and project roles, as outlined in AI Solar organisation chart;	Site-specific hazard identification and risk mitigation measures; and
Regular training and refresher programmes on safety procedures and best practices;	Stringent enforcement of Standard Operating Procedures (SOPs) during installations, maintenance, and operational activities.

The roles of OSH Coordinators (OSH-C) including the Project Manager and Design Lead are pivotal in ensuring continuous monitoring, compliance and enforcement of safety standards across all operations.

SUSTAINABILITY STATEMENT

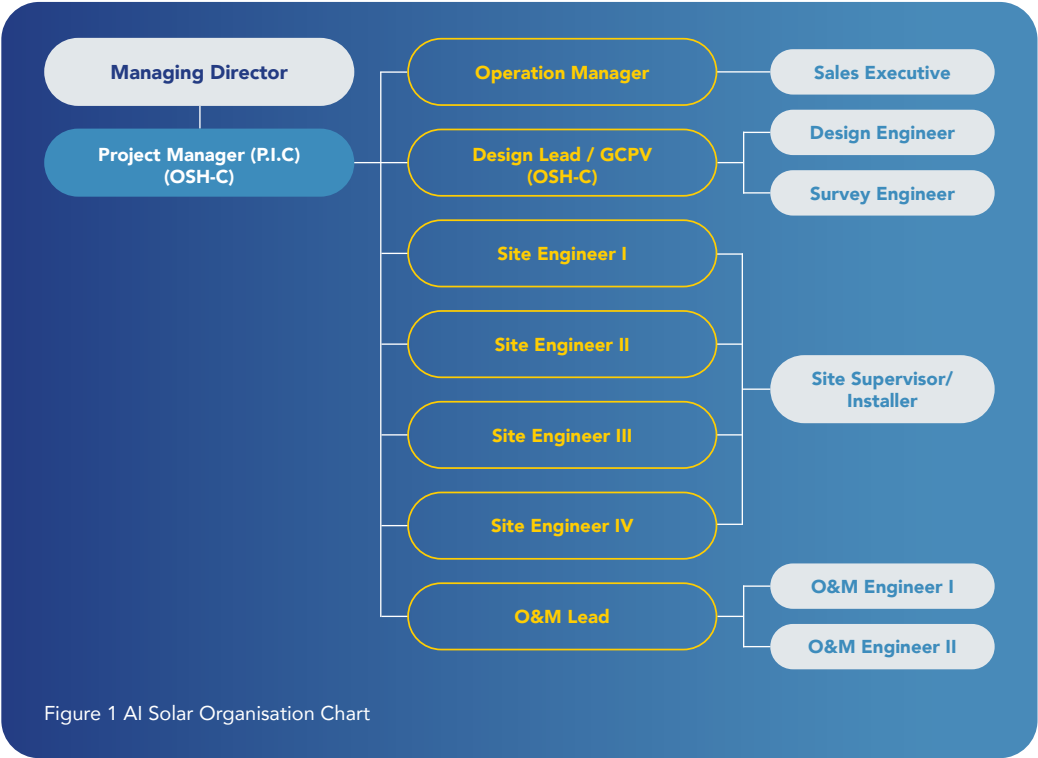


Figure 1 AI Solar Organisation Chart



Commitment to Excellence in Health & Safety Standards

At AI Solar, we take pride in being a trusted subcontractor for leading companies such as Maxis, TIME dotCom, and Huawei. In fulfilling this role, we strictly comply with the Health, Safety, and Environmental (HSE) standards set by our main contractors. These requirements go beyond regulatory obligation as they are deeply embedded in our company culture daily operations.

We believe that a safe work environment is the cornerstone of successful project delivery. Every AI Solar team member undergoes continuous upskilling and safety training to strengthen their technical expertise, situation awareness, and on-site readiness. From mastering the latest installation techniques to practising preventive safety measures, our workforce is well-prepared to perform efficiently and safely in high-risk environments.

SUSTAINABILITY STATEMENT

Our proactive safety approach includes:

- Comprehensive safety induction programmes;
- Regular toolbox meetings;
- On-site risk assessments;
- Mandatory use of Personal Protective Equipment (PPE); and
- Close coordination with main contractors’ safety officers.

By fostering a strong safety-first culture, AI Solar consistently meets and often exceeds industry standards. This commitment drives our pursuit of a zero-accident workplace while enabling us to deliver high-quality solar solutions that support Malaysia’s transition toward a sustainable and energy-resilient future.



Training and Awareness

In 2025, AI Solar conducted multiple health and safety training sessions, reaching at least 9 employees. These sessions focused on hazard awareness.

Working at height - Solar Panel & System Installation	Hazard Identification, Risk Assessment and Risk Control (HIRARC)	Project Planning, Scheduling and Control using Microsoft Project
Occupational Safety and Health Management for Contractors		Occupational Safety and Health Coordinator

Looking Ahead

We are committed to strengthening our safety culture by:

Increasing safety training frequency and participation.	Enhancing OSH governance via digital monitoring tools.	Promoting health and well-being initiatives beyond the workplace.
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Through these efforts, AI Solar strives to foster a workplace where sustainability begins with safety.

Our performance

Health and safety training

In 2025, a total of 9 participants received training on various health and safety standards.

	2025	2026	2027
Number of employees and contractors trained on health and safety standards	9	-	-

Work-related injuries

AI Solar’s goal is to ensure that every workers return home safely at the end of each day. To achieve this, we remain steadfast in our commitment to maintaining zero fatalities by preventing and minimising workplace incidents.

We continue to strengthen our preventive measures to avoid any recurrence in the future.

SUSTAINABILITY STATEMENT

ENERGY & FUEL EFFICIENCY

Related UNSDGs



Why is this important?

Ygl is committed to managing and optimising energy use to reduce GHG emissions across its operations and supply chain, supporting the transition toward a low-carbon and ultimately net-zero society. Monitoring and disclosing energy consumption, alongside reporting GHG emissions, are key components of our sustainability strategy.

In 2025, Ygl expanded its environmental reporting to include Scope 2 GHG emissions, covering office electricity consumption and consultants’ travel in daily operations. Total emissions recorded for the year amounted to 44.8229 tCO₂e.

Ygl remains dedicated to reducing its carbon footprint through the ongoing exploration and implementation of green initiatives and sustainable practices across the Group.

Our approach will include:

Expand Solar Power Capacity

Install LED Lighting

Encourage Energy-Saving Practices

- Increase on-site solar power capacity to reduce dependence on grid electricity.
- Replace damaged fluorescent lights with LED lights.
- Increase on-site solar power capacity to reduce dependence on grid electricity.

GHG Emissions (Metric Tonnes of CO₂ equivalent)

	2025	2026	2027
Scope 1	0.4969	-	-
Scope 2	44.8229	-	-
Scope 3	88.03	-	-

SUSTAINABILITY STATEMENT

CYBERSECURITY & DATA PROTECTION

(GRI 418-1)

Related UNSDGs



Why is this important?

Ygl remains cautious and vigilant in addressing the increasing cybersecurity risks, particularly given that our customer base primarily consists of enterprise-level SMEs. The rapid growth of remote work, e-commerce, and automation has accelerated the adoption of digital technologies and infrastructure. However, this digital expansion also increases the vulnerability of data to cyber threats. Consequently, Ygl recognises its responsibility to safeguard against potential cyberattacks, ensuring the protection of our customers' sensitive information and preventing any data breaches, threats, or losses.



Our approach

Strengthening Cybersecurity in the Digital Era

As part of our ongoing commitment to digital transformation and the adoption of advanced cybersecurity technologies, Ygl remains highly vigilant against the ever-evolving cybersecurity threats. With a clientele comprising both SMEs and industry leaders, safeguarding sensitive data and intellectual property is of utmost importance.

To address these challenges, Ygl emphasises a robust internal control framework designed to protect the privacy and security of our data, information, and assets, as well as those of our stakeholders. The rapid adoption of digital technologies driven by trends such as remote work, e-commerce, and automation has increased exposure to cyber risks, making proactive cybersecurity measures more critical than ever.

Proactive Cybersecurity Measures

Ygl is committed to implementing comprehensive cybersecurity strategies to protect against unauthorised access, data breaches, and other cyber threats. Our approach includes:

- **Continuous Risk Assessment:** Regular evaluations to identify vulnerabilities and address potential threats proactively.
- **Advanced Security Technologies:** Investment in cutting-edge cybersecurity solutions to strengthen system defenses.
- **Employee Cybersecurity Training:** Educating our workforce on best practices to raise awareness and reduce human-related risks.
- **Ongoing Security Monitoring:** Real-time monitoring and updates to detect, prevent, and respond to cyber threats effectively.

SUSTAINABILITY STATEMENT

Commitment to Stakeholder Trust and Sustainability

Protecting our customers’ confidential information remains a top priority. We take every precaution to prevent data leaks, unauthorised access, and loss of critical information. By integrating cybersecurity into our sustainability framework, Ygl reinforces its commitment to responsible business practices and operational resilience.

Our cybersecurity initiatives are highlighted in our sustainability report, demonstrating our efforts to safeguard not only our ICT infrastructure but also the communities we serve. Through these proactive measures, Ygl ensures secure and trusted digital ecosystem, supporting sustainable growth in an increasingly interconnected world.

Targets, Strategies, and Initiatives

Our IT team is committed to maintaining the integrity and security of our systems. By implementing robust internal controls, we protect our systems against cyber threats, ensuring reliability and resilience.

To strengthen our cybersecurity posture, we adopt a comprehensive approach that includes advanced antivirus solutions, endpoint protection, firewall security, and continuous real-time monitoring to detect and mitigate potential threats. Additionally, our IT team proactively evaluates system effectiveness through regular testing, IT asset management, and thorough system audits to maintain both security and operational efficiency.

Current Security Measures

To safeguard our IT infrastructure, server access is strictly controlled through a hardware-encrypted Virtual Private Network (VPN), ensuring secure connections to our Software as a Service (SaaS) platforms and internet service providers. Additional security measures include encryption of authorised client devices, with access requiring public key authentication before login approval.

User roles and authorisations are systematically assigned to regulate system operations, effectively preventing security breaches, malware threats, and data misuse. System logs and security tracking tools enable real-time monitoring, keeping employees, especially the security team, alert to potential violations. Our security measures are further strengthened through a Security Information and Event Management (SIEM) system, security analytics, big data analytics, and business monitoring tools to enhance threat detection and response.

To stay ahead of evolving cybersecurity risks, we leverage intelligence services from trusted vendors and regulatory authorities. Employees also have access to an information booklet via our intranet, covering essential topics such as personal data protection and cloud security.

As a result of our strengthened cybersecurity framework, ransomware incidents have been reduced to one case in 2025.

No	Security Measures	No.
1	Attacked by virus	1
	Total number of attacks	1

Ygl targets zero substantiated complaints and data breach incidents from 2026 onward, reflecting our ongoing investment in cybersecurity infrastructure, user awareness programs, and adherence to industry best practices.

SUSTAINABILITY STATEMENT

Security Assessment and Control Framework

Ygl conducts rigorous software risk evaluations in accordance with internationally recognised standards. Our assessments encompass software behaviour, user permissions, third-party integrations, remote access protocols, AI functionality, and compatibility with security tools like Microsoft Defender and McAfee Application Control.

Key measures assessed and enforced include:

- No default admin logins and enforcement of strong password policies.
- Comprehensive software documentation, including communication and application protocols.
- Authenticated log access limited to administrators.
- Regular patch management cycles, with prompt customer notification and emergency updates.
- Permitted penetration testing and vulnerability assessments.
- Secure remote-control policies in compliance with voestalpine group standard CMAS.
- Support for advanced endpoint security, including antivirus protection and application whitelisting.

Technology Risks and Mitigation

Risk identification is conducted using a scoring system that evaluates risk severity both before and after mitigation. For instance, Single Sign-On (“SSO”) integration was identified as a gap (scored “Not fulfilled”), prompting an internal target to implement SSO-compliant systems by 2026.

Risk Categories Addressed:

- +

Software Security & Authentication

+

Patch & Vulnerability Management

+

AI and Data Ethics

+

Third-party Component Risks

+

Log Monitoring & Forensic Integrity

Looking Forward

By 2026, Ygl commits to:

Achieving full software
SSO integration.

Reducing critical patch
turnaround time to
under

72 hours.

Conducting biannual
third-party security
assessments on all
core platforms.

Embedding AI compliance controls in all
solutions involving automation or data analytics.

SUSTAINABILITY STATEMENT

CUSTOMER SATISFACTION

Related UNSDGs



Why is this important?

Customer satisfaction and loyalty are critical to our long-term success and to maintaining our reputation as a leading developer and service provider. Accordingly, we prioritise enhancing customer satisfaction by actively incorporating feedback and upholding the highest quality standards across all our products and services.

Our approach

Building Long-Term Relationships

- We prioritise sustainable long-term growth by fostering strong relationships, ensuring the satisfaction of our existing customers, and actively expanding our new customer base.
- Our Support Centre plays a key role in building customer trust and confidence, particularly for clients in critical industries with stringent quality requirements.

Comprehensive Customer Support

- We offer robust customer support platforms, including our hotline and live chat, enabling customers to easily submit feedback or complaints.
- When areas for improvement are identified, we evaluate potential solutions and assign our internal team to address the root causes of dissatisfaction.

Multi-Faceted Customer Engagement

- We enhance the customer experience by engaging through multiple channels, including program leaders for both existing and new customers, serving as a central point of contact for product or program-related issues.
- These initiatives provide valuable insights into our customers' needs and expectations, enabling us to continually improve our products and services.

Customer-Centric Culture

- We have strengthened our customer-centric culture and complaint handling procedures through periodic employee training, ensuring complaints are resolved promptly and effectively.
- Our commitment to high-quality standards and continuous improvement drives us to consistently meet and exceed customer expectations.

By prioritising customer satisfaction, we aim to foster loyalty and drive long-term success, reinforcing our position as a trusted market leader.

SUSTAINABILITY STATEMENT

EMPLOYEE MANAGEMENT

(GRI 404-1, 402-2)

Related UNSDGs



Why is this important?

At Ygl, we recognise that our employees are our greatest assets and the driving force behind our success and growth. We are committed to attracting, nurturing, and retaining high-performing talent while fostering a supportive and empowering work environment. In addition, we continuously invest in training and development initiatives to ensure our workforce remains competitive, innovative, and prepared for the future.

Our approach

Ygl complies with local labour and employment laws in all human resources practices and management. Recognising that our employees are our greatest asset, we are committed to their continuous growth and development. We prioritise workplace health and safety through well-established policies and procedures, fostering a positive environment that attracts and retains top talent while driving the company's success.

We are committed to upholding human rights and ensuring fair and ethical business practices. Ygl actively prevents unjust discrimination and addresses issues such as sexual harassment, child labour, and forced labour through the enforcement of our Code of Ethical Conduct and Conflicts of Interest policies. These measures safeguard our employees, promoting a respectful and inclusive workplace.

Strong stakeholder relationships are central to Ygl's sustainable growth and long-term success. By fostering a supportive community and encouraging collaboration, we create lasting value for all stakeholders.

Talent Acquisition and Onboarding

Talent attraction and recruitment are critical to building a strong and sustainable talent pipeline for the future. At Ygl, we adhere to our Recruitment Policy and Procedures to ensure hiring is based on merit, considering skills, experience, and suitability for the role while aligning with our values, culture, and vision. Effective bias-free recruitment strengthens our employer brand, helping attract top talent, enhance customer loyalty, and improve organisational performance.

Upskilling and Reskilling

Ygl is committed to developing a skilled, adaptable, and future-ready workforce. In response to evolving technologies and industry trends, we proactively identify skill gaps and support employees in achieving their career goals. Through regular training needs assessments, we designed targeted upskilling and reskilling initiatives that promote continuous professional growth and ensure alignment with market demands.

SUSTAINABILITY STATEMENT

Employee Well-Being, Health, and Safety

The well-being and safety of our employees are paramount. We implement stringent risk management practices to prevent workplace hazards, including fires, explosions, and exposure to harmful substances. Our Occupational Safety and Health (OSH) policy, applicable across all operations, is reviewed annually to ensure its effectiveness. Employees and contractors are expected to uphold safety standards, fostering a culture of shared responsibility and proactive risk mitigation.

Ygl provides training on health and safety standards to reinforce our commitment to a safe and secure workplace.

To support overall well-being, employees have access to non-occupational medical and healthcare services with a RM50 subsidy available at any clinic. Additionally, hospital insurance coverage is extended to HOD-level employees and their family members, enabling proactive health management. These initiatives demonstrate our dedication to enhancing employee well-being and quality of life.

	Unit	FY2025	FY2026	FY2027
Gender group by employee category				
Management - Male	Percentage	4	-	-
Management - Female	Percentage	2	-	-
Executive - Male	Percentage	6	-	-
Executive - Female	Percentage	2	-	-
Non-executive/Technical Staff - Male	Percentage	57	-	-
Non-executive/Technical Staff - Female	Percentage	29	-	-
General Workers - Male	Percentage	0	-	-
General Workers - Female	Percentage	0	-	-
Age group by employee category				
Management - Under 30	Percentage	0	-	-
Management - Between 30-50	Percentage	0	-	-
Management - Above 50	Percentage	6	-	-
Executive - Under 30	Percentage	0	-	-
Executive Between 30-50	Percentage	6	-	-
Executive Above 50	Percentage	2	-	-
Non-executive/Technical Staff - Under 30	Percentage	35	-	-
Non-executive/Technical Staff - Between 30-50	Percentage	43	-	-
Non-executive/Technical Staff - Above 50	Percentage	8	-	-
General Workers - Under 30	Percentage	0	-	-
General Workers - Between 30-50	Percentage	0	-	-
General Workers - Above 50	Percentage	0	-	-

SUSTAINABILITY STATEMENT

	Unit	FY2025	FY2026	FY2027
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	80	-	-
Female	Percentage	20	-	-
Under 30	Percentage	0	-	-
Between 30-50	Percentage	40	-	-
Above 50	Percentage	60	-	-
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4	-	-
Gender diversity - Male	Percentage	2	-	-
Gender diversity - Female	Percentage	2	-	-
Age diversity - Under 30	Percentage	0	-	-
Age diversity - Between 30-50	Percentage	2	-	-
Age diversity - Above 50	Percentage	2	-	-
Ethnic diversity - Bumiputera	Percentage	2	-	-
Ethnic diversity - Chinese	Percentage	2	-	-
Ethnic diversity - Indian	Percentage	0	-	-
Ethnic diversity - Others	Percentage	0	-	-

Employee Turnover

The employee turnover for FY2025 is 26.80%, representing a significant improvement from 48.98% in FY2024. Our efforts to restructure compensation and benefits, making them more attractive, competitive and aligned with market practice, are expected to help mitigate these market pressures moving forward.

At Ygl, we are committed to fostering a results-driven, accountable, and collaborative culture that supports both individual and team success. To promote high performance, we have implemented a structured performance evaluation system based on Key Performance Indicators (KPIs). Each year begins with expectation-setting discussions, followed by year-end performance reviews, allowing employees to self-assess, provide feedback, engage in competency dialogues, and receive coaching and support.

We value and recognise exceptional performance by rewarding employees who deliver high-quality results, demonstrate excellence among their peers, and uphold exemplary professional behavior. Through bonuses, promotions, and career advancement opportunities, we celebrate their contributions. In addition, we provide competitive compensation and benefits to attract, retain, and motivate top talent, ensuring a dynamic and rewarding work environment.

SUSTAINABILITY STATEMENT

The following are some of 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 engagement initiatives

At Ygl, we highly value our employees and strive to understand their experiences, expectations, and concerns. To foster a positive work environment, we actively engage in initiatives that strengthen camaraderie and enhance workplace satisfaction.

In FY2025, we conducted several employee engagement activities, including:

01 Festive Celebrations Bringing employees together to celebrate cultural and festive occasions throughout the year.	02 Sports Tournaments Promoting teamwork and a healthy lifestyle, including the 2024 Badminton Friendly Match.	03 Recognition of Leadership Honouring Heads of Departments (HODs) for their contributions in 2024.
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Looking ahead, we are exploring Employee Appreciation Programs, such as Long Service Awards, to recognise and reward the dedication of our team members.

SUSTAINABILITY STATEMENT

A friendly match between Ygl and PBL club.



On September 16th, 2024, a thrilling badminton match took place between the Ygl and PBL Club at the Gelanggang Badminton PBA courts. The atmosphere was electric as both teams brought their A-game to the court.



The Eonsave badminton court transformed into a vibrant arena of athleticism on the 7th of July 2024 as the Ygl and ABC clubs engaged in a spirited badminton showdown. The event, a testament to the camaraderie and competitive spirit within the badminton community, attracted a total of 13 teams eager to showcase their skills.



SUSTAINABILITY STATEMENT



At Ygl, we believe a healthy work environment extends beyond the office walls. Reflecting our commitment to a balanced and supportive workplace, Ygl staff participated in a pickleball session at Picklesky — a wellness-themed venue designed to promote active living and positive social interaction.

The event was marked by high spirits and genuine camaraderie, as employees from various departments came together in a vibrant and inclusive setting. Proudly holding the YGLWORLD banner, the team exemplified unity and mutual support, reinforcing our strong corporate identity.

This recreational outing goes beyond physical activity; it demonstrates Ygl’s dedication to employee mental wellness, stress management, and team cohesion. By organising such engagements, we cultivate a workplace culture that values collaboration, enjoyment and overall well-being.

This initiative forms part of our broader sustainability efforts under **Employee Management**, ensuring that our team remains motivated, connected, and empowered — the foundation of a resilient and forward-thinking organisation.

In FY2025, the Group continued to invest in enhancing the knowledge and capabilities of our employees in ESG practices. These external training programs provide our team with technical expertise, regulatory awareness, and practical skills to meet evolving sustainability requirements, strengthen our ESG reporting, and integrate best practices into our operations.

The following courses were attended:

Training Course	No. of Hours	Key Learning Outcomes
Strategic Insights: Preparing Bursa’s Enchanted Sustainability Reports Effectively	21	• Understand Bursa Malaysia’s sustainability reporting framework and latest ESG requirements. • Develop effective sustainability disclosures aligned with Bursa’s Enhanced Reporting Guidelines. • Learn to link ESG data with business strategy and performance. • Gain hands-on experience in structuring and writing impactful sustainability reports.
National Sustainability Framework and Latest Bursa Listing Requirements	7	• Comprehend Malaysia’s National Sustainability Framework. • Interpret the latest Bursa Listing sustainability requirements and reporting obligations. • Identify compliance gaps and develop strategies to meet regulatory expectations.

SUSTAINABILITY STATEMENT

Training Course	No. of Hours	Key Learning Outcomes
e-Invoice Mastery for Phase 2 & 3 IR4.0: Practical e-Invoicing and Tax Implementation in the Era of Industry 4.0	14	- Understand e-Invoice implementation requirements by LHDN for Phase 2 and 3. - Learn integration methods with ERP systems under Industry 4.0 standards. - Gain practical knowledge of tax compliance and digital invoice processing. - Optimise business operations using automation and real-time reporting.
Seminar Percukaian Kebangsaan 2024 – Belanjawan 2025	7	- Understand updates in Malaysia's 2025 Budget and their impact on taxation. - Learn practical tax compliance strategies for businesses. - Identify key tax incentives and exemptions relevant to corporate planning.
FMM Seminar on Corporate Compliance: Dissecting the Recent Amendments to the Personal data Protection Act 2010 and Companies Act 2016	4	- Understand key amendments to PDPA 2010 and Companies Act 2016. - Learn compliance requirements for corporate governance and data privacy. - Develop internal control measures to prevent legal.
Working at height – Solar Panel & System Installation	4	- Identify risks and hazards associated with working at heights. - Learn safe work procedures for solar panel installation. - Apply fall protection systems and emergency response procedures.
Hazard Identification, Risk Assessment and Risk Control (HIRARC)	7	- Understand the principles of hazard identification and risk assessment. - Learn to develop effective control measures to mitigate workplace risks. - Implement HIRARC methodologies in daily operations for continuous safety improvement.
Project Planning, Scheduling and Control using Microsoft Project	14	- Learn to plan, schedule, and monitor projects using Microsoft Project. - Manage resources and timelines effectively. - Analyse project performance using tracking tools and Gantt charts. - Apply best practices in project control and reporting.
Occupational Safety and Health Management for Contractors	14	- Understand OSH legal obligations for contractors. - Learn to establish a comprehensive safety management system. - Implement safety policies and site supervision procedures effectively. - Promote a strong safety culture within project teams.
Occupational Safety and Health Coordinator (2) people	42	- Acquire competencies required for registered OSH Coordinators under DOSH guidelines. - Conduct risk assessments and incident investigations. - Develop and implement workplace safety programs. - Ensure continuous compliance with OSHA 1994 and related regulations.

Impacts:

- Strengthened internal expertise in GHG emissions measurement and sustainability reporting.
- Enhanced compliance readiness for Bursa Securities' enhanced sustainability disclosure requirements and the upcoming National Sustainability Reporting Framework (NSRF).
- Improved capacity to integrate ESG considerations into strategic decision-making, operational processes, and stakeholder engagement.

SUSTAINABILITY STATEMENT

DIVERSITY, EQUITY & INCLUSION

(GRI 405-1)

Related UNSDGs



Why is this important?

Diversity and inclusivity in the workplace provide a competitive advantage by allowing us to leverage a wide range of knowledge, perspectives, and ideas. In line with this commitment, we actively promote equal employment opportunities and prevent discrimination by encouraging diversity across gender, race, religion, age, and nationality.



Our approach

Ygl’s Commitment to Diversity, Equity, and Inclusion

At Ygl, we recognise the vital role that diversity and inclusion play in fostering a fair and equitable workplace. We are committed to upholding non-discrimination and equal employment opportunities across all aspects of employment. As outlined in our Employment Policy, hiring, training, promotion, and compensation decisions are based on competence and growth potential, without regard to race, national origin, religion, age, gender, or any other status protected by law.

Our approach to equity is grounded in fairness and inclusivity, ensuring that every individual is valued and provided with opportunities to thrive. We cultivate a workplace culture that embraces differences, advocates for equality, and supports continuous development to help employees reach their full potential.

To reinforce our commitment to fair employment practices, we regularly review our recruitment process in line with our Recruitment Policy and procedures. We also prioritise accessibility and inclusivity by actively recruiting and retaining employees with disabilities. To support their needs, we provide designated parking spaces, lift services, and other accommodations to enhance workplace accessibility.

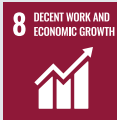
At Ygl, all employees receive competitive wages free from gender-based disparities. Career advancement, recognition, and rewards are determined solely by performance and merit, ensuring a fair and unbiased evaluation process for all.

SUSTAINABILITY STATEMENT

SUPPLY CHAIN MANAGEMENT

(GRI 204-1)

Related UNSDGs



Why is this important?

As an ERP solution provider, Ygl supports Small and Medium Enterprises (SMEs) in improving procurement and supply chain efficiency through our integrated Supply Chain Module. This solution enhances transparency, traceability, and accountability across supply networks. We embed sustainability expectations and responsible procurement practices within the system design and extending them to our users. In doing so, we help businesses align procurement activities with sustainability principles, promoting ethical sourcing, local supplier engagement, and long-term value creation within the supply chain.

Our approach

Ygl recognises the importance of sustainability and is committed to integrating social, environmental, and economic considerations into its supply chain management. Our primary objective is to enhance the Company's value by delivering high-quality, environmentally responsible products and exceptional customer service. To achieve this, Ygl relies on a robust and reliable supply chain network. We partner with suppliers who not only meet our requirements for supply, delivery, quality, and compliance but also uphold ethical business practices, maintain safe and fair working environments free from human rights violations, and actively work to minimise the environmental impact of their products.

Key Sustainability Programs and Strategies

Ygl strictly prohibits child labour, forced labour, and any form of human trafficking. In addition to complying with all applicable local and international laws, Ygl maintains a firm policy against any unethical business practices within its operations and supply chain.

The Group ensures that all purchasing requirements are clearly defined and understood by our suppliers. Products or services associated with any form of exploitation or abuse are strictly avoided. Ygl works closely with suppliers to ensure adherence to contractual obligations and continuously monitors their compliance. We maintain a respectful and ethical relationship with all suppliers, built on mutual trust, integrity, and shared benefits. Through collaboration, we aim to create greater overall value for all parties involved.

Ygl is firmly committed to responsible business practices, striving to achieve success in ways that reflect our dedication to the development and protection of both communities and the environment. Our Group embraces social responsibility as a core element of our vision, mission, corporate values, and code of business conduct. Ygl's CoC enforces social responsibility throughout our entire supply chain framework, forming a cornerstone of our values and a guiding principle in all operations. This commitment not only drives corporate performance but also positively influences our stakeholders alike.



SUSTAINABILITY STATEMENT

WASTE MANAGEMENT

(GRI 306-3)

Related UNSDGs



Why is this important?

At Ygl, we are committed to effective waste management to minimise our environmental footprint and contribute positively to the communities in which we operate. Our business activities generate various types of waste, including hazardous waste classified as scheduled waste, as well as non-hazardous waste such as domestic and recyclable materials. We recognise that improper waste handling can result in serious environmental consequences, including air and water pollution and harm to local communities. Accordingly, we prioritise proactive and responsible waste management practices across all operations to ensure compliance, promote sustainability, and safeguard the well-being of both environment and society.



Our approach

In compliance with environmental regulations on waste management, including scheduled waste, Ygl adheres to local laws and jurisdictional requirements. Our Malaysian operations follow the Environmental Quality (Scheduled Wastes) (Amendment) Regulations 2007 and utilise the Electronic Scheduled Waste Information System (eSWIS) established by the Department of Environment.

By following these guidelines, we ensure that all hazardous and non-hazardous waste are managed responsibly and in full compliance. This includes proper segregation, storage, transportation, and disposal of waste, as well as collaboration with licensed waste management vendors to ensure safe recycling and disposal processes.

We continuously review and evaluate our waste management practices to identify opportunities for improvement and maintain compliance with evolving environmental standards. Regular training and awareness programs equip employees with the knowledge and skills to uphold responsible environmental practices.

Through these initiatives, Ygl demonstrates its commitment to reducing the environmental footprint of our operations and supporting the long-term sustainability of the communities in which we operate.

Current Waste Management Practices at Ygl

Pre-management processes generally involve include sorting waste for recycling. Office waste is collected and transferred to a central sorting area, where it is combined with general waste from the building. Materials such as newspapers, cardboard, and white paper gathered at the Company's central facility and sent for recycling.

This report assesses current waste management practices and identify opportunities for improvement, alternative approaches, and solutions to existing challenges.

SUSTAINABILITY STATEMENT

At Ygl, the majority of waste generated is typical of an office environment, including paper and paper products, used toner cartridges, food waste, plastics, beverage containers, aluminium cans, printer paper, cardboard, small electronic waste, and fluorescent tubes.

Most of the waste generated in our office buildings is general waste. To address this, we have implemented several initiatives to raise employee awareness and encourage active efforts to reduce waste.



Segregation of non-recyclable and recyclable waste



E-waste recycling campaign



Advocating paperless documents by going digital

We encourage our employees to actively participate in waste reduction and recycling by reusing materials such as paper, plastics, and aluminum, and by using designated bins for proper waste segregation. Recyclable materials are sent to recycling centers for processing, while non-recyclable waste is disposed of at landfills. Looking ahead, Ygl is committed to minimising landfill waste by embracing circular economy principles and adopting innovative waste management solutions.

Our performance

In 2025, Ygl generated a total of 0.043606 MT of non-hazardous waste. Non-hazardous waste refers to materials that do not pose an immediate threat to human health or the environment and can generally be handled and disposed of using conventional waste management methods.

Waste Management 2025		2025	2026	2027
Bursa C10(a) Total waste generated	Metric tonnes	0.043606	-	-
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.039	-	-
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	0.0045201	-	-

Waste Reduction Measures

Ygl is committed to minimising waste generation and improving resource efficiency across our operations. Although the total volume of non-hazardous waste produced in 2025 was relatively small, we continue to implement initiatives aimed at reducing waste through the following actions:

1. Digitalisation and Paperless Operations

- Transitioning from printed documentation to electronic records via our ERP and e-invoicing systems.
- Encouraging employees to use digital communication and storage platforms to reduce paper consumption.

2. Enhanced Recycling Practices

- Segregating recyclable materials such as paper, cardboard, and plastic at designated recycling points.
- Partnering with licensed recycling vendors to ensure proper collection and recycling of office waste.

3. Employee Awareness and Engagement

- Conducting periodic awareness sessions to promote responsible waste disposal and recycling habits.
- Encouraging the reuse of office materials, including folders, binders, and packaging supplies.

4. Sustainable Procurement

- Prioritising suppliers who use minimal packaging and provide recyclable or reusable materials.
- Encouraging procurement of eco-friendly office supplies.

5. Continuous Monitoring and Improvement

- Tracking waste data to identify trends and opportunities for further reduction.
- Setting future waste reduction targets in alignment with the Group's sustainability goals.

SUSTAINABILITY STATEMENT

COMMUNITY INVESTMENT

(GRI 201-1)

Related UNSDGs



Why is this important?

We believe that fostering positive relationships between businesses and communities enhances social inclusion and delivers meaningful, long-term benefits. At Ygl, we are committed to being a responsible corporate citizen by supporting the communities in which we operate through various engagement and impact initiatives, particularly in education and social welfare. Through these initiatives, we aim to create a lasting positive impact that benefits both the community and our organisation, contributing to a more sustainable and inclusive future.

Our approach

Ygl has provided both monetary and non-monetary contributions to charitable and non-profit organisations (NGOs). Our non-monetary donations include, but are not limited to, food packs, essential items, and groceries.

We have launched the “**Circle of Love**” initiative to inspire our employees and customers to extend a helping hand and show compassion toward the community.

We believe that fostering a spirit of volunteerism among our employees is essential to the success of Ygl’s community impact programmes.



YGL Support Local Communities: CSR Efforts for Donations to Penang charities

On December 18th, 2024, Ygl proudly donated to four esteemed Penang-based charities:

- **PERTUBUHAN KEBAJIKAN NASYIATULAISYIAH:** Supporting vital initiatives in education, healthcare, and community development.
- **PURE LOTUS HOSPICE OF COMPASSION:** Providing compassionate end-of-life care and support to patients and their families.
- **PENANG HINDU ASSOCIATION:** Serving the needs of the Hindu community through cultural, religious, and social welfare programs.
- **JAWATANKUASA PENTADBIRAN CHOO CHAY KEONG:** Contributed to the temple’s prayer expenses for Chor Soo Kong, supporting local cultural preservation and community well-being.

These donations were made possible through the generous contributions of Ygl staff and customers with funds collected through the “Circle of Love” coin box and proceeds from coffee sales. This initiative reflects Ygl’s commitment to giving back to the community.

Ygl remains dedicated to ongoing Corporate Social Responsibility (CSR) efforts and will continue to explore opportunities to support local organisations and make a positive impact on the lives of those in need.

SUSTAINABILITY STATEMENT

WATER MANAGEMENT

Related UNSDGs



Why is this important?

The growing issue of water scarcity is increasingly concerning, driven by factors such as climate change, inadequate water management, and pollution. With water cuts and shortages occurring more frequently, Ygl is committed to addressing these challenges by implementing effective and efficient water management practices across our operations.

Our approach

At Ygl, we recognise that sustainable water management is essential to reducing our environmental impact and supporting long-term resource conservation. We are committed to using water responsibly across our operations and continuously improving our practices to ensure efficiency and sustainability.

In 2025, Ygl recorded a total water usage of 0.497 megalitres.

Water Management	2025 (Megalitres)	2026 (Megalitres)	2027 (Megalitres)
Total Water Usage	0.497	-	-

We continue to explore innovative ways to enhance our water management performance through:



Water-Efficient Technology	Investigating and adopting technologies that minimise water consumption and improve operational efficiency.
Employee Awareness	Promoting responsible water use among employees through awareness programmes and workplace conservation initiatives.
Regular Assessments	Conducting periodic reviews of our water management systems to identify opportunities for improvement and ensure compliance with environmental standards.

By prioritising sustainable water practices, Ygl aims to minimise its environmental footprint and contribute to the preservation of this vital natural resource. These efforts support the well-being of the local ecosystem and reflect our broader commitment to sustainability and responsible corporate citizenship.

SUSTAINABILITY STATEMENT

PRODUCT & SERVICE QUALITY

Our unwavering commitment to product and service quality forms the foundation of our operations. We implement stringent quality control measures to ensure our solutions consistently meet and exceed customer expectations. Our team of experts is dedicated to continuous innovation, refining our offerings to stay aligned with the latest technological advancements and industry standards, positioning Ygl as a leading provider of ERP and Industry 4.0 manufacturing solutions in Malaysia.

Our research and development teams, based in Malaysia and Hong Kong, possess a deep understanding of the challenges faced by growing businesses and maintain an intimate knowledge of the market.

Key Aspects of Our Quality Commitment:

Maintaining Quality	Description
Rigorous Testing and Validation	All products undergo comprehensive testing and validation to ensure reliability, efficiency, and durability. We utilise advanced testing methodologies to identify and address potential issues before products reach our customers.
Customer-Centric Approach	We prioritise understanding the unique needs and challenges of our customers. Through close communication and ongoing feedback, we tailor our solutions to deliver maximum value and satisfaction.
Continuous Improvement	Ygl is committed to continuous improvement. We regularly review and enhance our processes, integrating customer feedback and emerging industry trends to refine our products and services.
Skilled Workforce	Our team consists of highly skilled professionals who are experts in their respective fields. We invest in ongoing training and development to ensure they remain at the forefront of technological advancements and industry best practices.
Sustainable Practices	Quality at Ygl also means sustainability. Modular Programming: We employ modular programming techniques, organising our source code into discrete, manageable modules. This approach simplifies understanding, modification, and extension of the codebase over time. Modular programming also enhances error detection and troubleshooting, reducing the time and resources required for maintenance. Code Reusability: Our development practices emphasise creating reusable code components, reducing redundancy and the need for additional resources in future projects. This accelerates development while minimising the environmental impact of excessive coding and server usage. Optimised Algorithms: By focusing on efficient algorithms design, we ensure that our software runs smoothly while requiring less computational power. This reduces energy consumption in data centers and lowers the carbon footprint associated with software usage.

SUSTAINABILITY STATEMENT

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

Recognising the crucial role of suppliers and vendors, Ygl values their contribution in delivering innovative and high-quality products and services that enable us to provide safe and reliable solutions to our customers. Consistent product quality, product safety, and timely delivery are key expectations governed by our internal management standards.

By upholding these high standards, Ygl ensures that our products and services consistently meet exceptional quality, fostering long-term customer relationships and driving sustainable growth.

Achievements

Over the years, Ygl has achieved several notable milestones:

Developed a competitive ERP system with functionalities comparable to leading international software.

Successfully designed niche, industry-specific solutions, converting clients from global software providers to Ygl's platforms.

Demonstrated strong customisation capabilities by tailoring solutions to the unique operational needs of manufacturers and warehouses, setting Ygl apart from standard international offerings.

Integrated smart manufacturing and warehouse solutions with automated machinery, enhancing operational efficiency and automation.



SUSTAINABILITY STATEMENT

TECHNOLOGY, INNOVATION & DEVELOPMENT

Related UNSDGs



Why is this important?

Ygl is committed to driving sustainable growth through technology and innovation. Our digital solutions—such as ERP systems, smart warehouse tools, and green energy platforms—enhance industrial efficiency and support smart city development. By investing in R&D and digital capabilities, we empower businesses, particularly SMEs, to adopt Industry 4.0 practices, boost productivity, and create quality jobs.

Ygl is committed to leading in innovation and technological advancement, with the goal of enhancing efficiency and excellence across all operations. We recognise the transformative potential of emerging technologies and actively pursue collaborative opportunities with our customers and suppliers. This collaborative approach promotes greater efficiency and transparency throughout our supply chain, fostering stronger and more resilient partnerships.



Key Focus Areas:

Enhancing Supply Chain
Efficiency and Transparency:

Through our R&D efforts and technological advancements, Ygl aims to develop a more efficient and transparent supply chain module. By sharing information and resources with our customers, we create synergies that deliver mutual benefits including reduced lead times, lower costs, and improved product availability. This strategic alignment enhances our ability to meet customer expectations and strengthens our competitive position in the market.

Collaborative Innovation:

We believe that collaboration with customers and suppliers is vital for driving innovation and achieving mutual success. Through strategic partnerships, we align our goals with those of our stakeholders, creating shared value. This collaborative approach fosters the development of new products and services, enhances supply chain agility, and contributes to overall value co-creation.

SUSTAINABILITY STATEMENT

Embracing Emerging Technologies:

Ygl recognises that integrating advanced technologies is crucial for maintaining a competitive edge and achieving operational excellence. By adopting digital solutions, we enhance supply chain visibility, streamline processes, and improve decision-making. This technological integration enables us to respond swiftly to market changes and effectively meet evolving customer demands.

Fostering Resilient Partnerships:

Our commitment to collaboration and innovation includes fostering resilient partnerships with suppliers and customers. By leveraging technology-driven supplier collaboration, we strengthen the resilience and sustainability of our supply chain. This approach enable us to meet ESG expectations while advancing our operational performance.

Sustainable Technology Solutions:

Ygl is dedicated to integrating sustainability into our technological solutions and supply chain practices, reflecting our commitment to environmental stewardship and operational excellence.

Eco-Friendly Innovations

- We are actively developing ESG middleware technologies designed to integrate seamlessly with Enterprise Resource Planning (ERP) systems. These innovations enable organisations to align operations with sustainability goals by providing tools to monitor and manage ESG metrics effectively. Our solutions incorporate energy-efficient processes and eco-friendly materials, minimising environmental impact while maintaining high performance standards. By leveraging our ESG middleware, businesses can enhance transparency and accountability in sustainability reporting, contributing to a more sustainable future.

Green Supply Chain Initiatives

- Ygl embeds sustainable practices throughout its supply chain to promote a greener future. Our initiatives focus on reducing environmental footprints, improving resource efficiency, and fostering ethical sourcing. By collaborating closely with suppliers and partners, we ensure that sustainability principles are upheld at every stage of the supply chain. This approach mitigates environmental impact while enhancing operational efficiency and resilience, aligning with global efforts to achieve sustainable development goals.

Through our efforts in sustainable technology solutions and green supply chain management, Ygl strives to lead by example in environmental sustainability and corporate responsibility. Integrating environmental considerations into our operations enhances our competitive advantage while contributing to a more sustainable future.

SUSTAINABILITY STATEMENT

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

Ygl's Industry 4.0 solutions enhance analytical capabilities to support supply chain optimisation, emissions management, and closed-loop system designs that benefit both clients and partners. These solutions enable fair and transparent decision-making through data-driven insights.

By building on existing manufacturing systems, Industry 4.0 technologies can reduce waste, facilitate real-time production adjustments, and transform raw data into actionable intelligence. Ygl's Sustainability Report on Supply Chain Management establishes simple, clear, consistent, and credible environmental and sustainability metrics to assess progress in social, economic, and environmental performance. Enhanced performance data provides tangible benefits, including improved operational efficiency and informed strategic planning. To advance sustainable growth, Ygl seeks to expand its innovation network through strategic partnerships. Sustainable transformation requires long-term effort and the development of capabilities to adapt to regulatory changes and evolving obligations in the digital ecosystem.

Ygl's role as a solution provider extends beyond operational efficiency to embedding sustainability across the supply chain. This transformation begins with converting traditional physical supply chains into intelligent digital platforms. The adoption of IoT technologies is a crucial step toward developing solutions that reduce waste and environmental impact.

By integrating Industry 4.0 into supply chains, Ygl aims to enhance visibility, optimise resource and logistics management, and address key environmental challenges including resource depletion, carbon emissions, waste reduction, and recycling. Technologies such as barcodes and RFID, condition-based sensors and GPS systems provide real-time data on physical assets and environmental conditions. Processed through robust algorithms, these data streams enable stakeholders to monitor, analyse, and continuously improve supply chain operations and environmental performance.

Risk Management in Technology Innovation & Development

At Ygl, our commitment to sustainability extends to our technology innovation and development. Recognising the dynamic nature of digital transformation, Ygl has adopted a structured risk assessment framework to ensure that technological advancements align with our ESG principles, particularly data integrity, system security, and operational resilience.

Integrated Risk Assessment

We conducted a comprehensive IT risk assessment covering key areas such as software integrity, third-party applications, network devices, and physical infrastructure. This evaluation identifies potential vulnerabilities and assigns risk levels—low, medium, or high—based on a calculated probability and impact scores.

Key Risk considerations:

- **Software Security:** Verification of third-party components, patch management, authentication controls (e.g., Single Sign-On), and secure email protocols.
- **Access Controls:** Restriction of system logs and administrative access to authenticated personnel only.
- **System Resilience:** Monitoring of remote access, backup solutions, and system maintenance protocols.

SUSTAINABILITY STATEMENT

Mitigation and Control Measures

Each identified risk is addressed through pre-defined mitigation measures, including:

- Deployment of security patches within a defined timeframe.
- Implementation of role-based access control (RBAC).
- Maintenance of audit trails and regular vulnerability scans.
- Adherence to international IT compliance standards.

Technology Governance and Oversight

Our internal IT governance team oversees risk management effort, ensuring alignment with our digital strategy. All innovations undergo compliance reviews to guarantee ESG-aligned development. Key measures include:

- Robust vendor risk assessments.
- Comprehensive documentation and traceability for system changes.
- Sustainable procurement of digital resources.

By proactively managing technological risks, Ygl ensures that innovation drives long-term value creation while upholding ethical standards and environmental integrity.

Technology, Innovation & Development			
	2024	2025	2026 Target
Intellectual Property	E-Invoice & E-Invoice Middleware	Smart Halal AI Monitoring System,	Develop ESG Middleware
		AI E-XBRL	NERVO AI Analytics

Future-Ready Workforce:

- **Skills Development:** To stay ahead of technological advancements, Ygl is committed to the continuous development of our workforce. We provide ongoing training in the latest technologies, equipping employees with the skills necessary to drive innovation and deliver cutting-edge solutions.
- **Innovation Culture:** We foster an environment that encourages creativity and forward-thinking. By empowering employees to explore new ideas and approaches, we continuously enhance our technological capabilities and maintain our position at the forefront of industry innovation.

By prioritising these focus areas, Ygl strives to be a leader in technology and innovation. Our proactive approach not only addresses current market needs but also anticipates future trends. This commitment to excellence strengthens our position as a reliable partner—delivering efficiency, transparency, and sustainable growth in today’s digital landscape.

SUSTAINABILITY STATEMENT

TASK FORCE ON CLIMATE – RELATED FINANCIAL DISCLOSURES (“TCFD”) – ALIGNED DISCLOSURES

We have initiated the integrating of the TCFD Recommendations into our sustainability statement this year, ahead of the regulatory requirements of Bursa Securities’ ACE Market Listing Requirements. In positioning Ygl for long-term success and climate resilience in a rapidly evolving business environment, we are committed to managing climate-related risks and capturing opportunities that may impact our business strategy and financial planning.

Governance

At Ygl, the Board oversees climate-related risks and opportunities. These discussions are regularly discussed during board meetings, particularly in the context of business strategy, risk management, and ESG performance (TCFD 1a).

The CEO and the Sustainability Committee are responsible for identifying and assessing climate-related risks. Regular updates are provided to the Board on climate performance, regulatory developments, and emission-reduction initiatives (TCFD 1b).

Strategy (TCFD 2a, TCFD 2b)

Short-Term (1–3 years):

We are enhancing energy efficiency across our operations, including reducing electricity usage in offices and digital infrastructure. Additionally, we support clients with ERP solutions to monitor and manage carbon footprints across their supply chains.

Medium-Term (3–5 years):

We aim to scale up our renewable energy adoption, such as solar panel installations for both clients and internal use. We will also promote our carbon-conscious ERP and smart warehouse solution while exploring AI-powered sustainability tools.

Long-Term (5+ years):

Our goal is to establish a low-carbon digital ecosystem by embedding sustainability across all software offerings. As demand for ESG-ready platforms grows, we are preparing to meet this need.

Risk Management (TCFD 3c)

Identifying Risks:

We assess climate-related risks through internal audits, consultant feedback, and stakeholder engagements.

Key risks include:

- **Transition risks:** new carbon regulations, green tax implications
- **Physical risks:** operational disruptions due to extreme weather

Managing Risks:

Our risk mitigation strategies include:

- Adopting green office practices
- Offering digital tools that help clients reduce their emissions
- Partnering with vendors and clients aligned with sustainability goals

Climate-related risks are embedded into our company-wide risk management framework.

Metrics and Targets (TCFD 4a, TCFD 4b)

To track climate-related performance, we monitor the following metrics:

- Scope 1 and Scope 2 (electricity), and Scope 3 (business travel and employee commuting) emission (tCO₂-e)
- Energy consumption (GJ)
- Waste generated (MT)
- Water used (m³)

SUSTAINABILITY STATEMENT

Opportunities Category	Opportunities	YGL's response
Product and services	Rising demand for digital and cloud-based solutions that help businesses transition to low-carbon operations (e.g., ERP Sustainability and Smart Halal Monitoring Software).	Ygl continues to enhance its ERP systems with sustainability modules that track carbon footprints, optimise resource use, and automate reporting. Our Digital Twin technology enable clients to model energy-efficient operations and improve supply chain sustainability.
Markets	Expansion into green technology markets, including renewable energy (solar solutions) and environmentally focused industries.	Ygl leverages its expertise in renewable energy projects, including solar installation and management, to promote energy-efficient practices. The company also targets new sectors—such as logistics, metal, and manufacturing—that are seeking digital transformation to achieve carbon reduction.
Resilience	Strengthen operational resilience by integrating climate-related risk management and improving business continuity.	Ygl adopts cloud infrastructure to minimise physical disruptions, enhances data security, and ensures business continuity during environmental or energy-related disruptions. Our transition plan aligns with Malaysia's low-carbon targets and Bursa Securities' ESG disclosure requirements.

We will be able to better positioned to monitor our performance once we complete our carbon emissions baselining exercise in early next year. The Group also looks forward to establishing medium-term targets for our material environmental priorities: "Climate Change" and "Waste Management".

In the future, the Group will consider conducting scenario analysis to evaluate the feasibility of implementing our transition plan and associated targets under different assumptions and conditions that could either support or challenge our progress. We are committed to providing consistent and transparent annual disclosures to our stakeholders, in alignment with Bursa Securities' Listing Requirements.

We will continue to enhance our emissions measuring and expand tracking to include additional Scope 3 categories, such as software usage, cloud storage, and supply chain emissions.

Targets:

Reduce Scope 2 emissions by

20%

by 2030

Achieve

net-zero

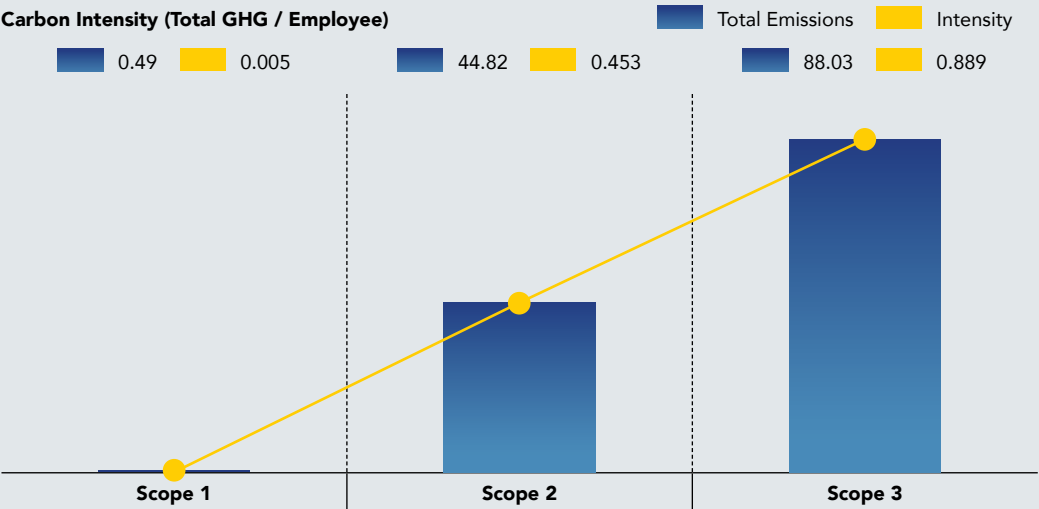
operational emissions by 2050

Support at least

50 SMEs

in adopting carbon-tracking ERP modules by 2030

SUSTAINABILITY STATEMENT



Mitigation Decarbonisation

Initiative	Site /Boundary (All Site)	2025	2026	2027
To establish IFRS S1 and S2 Standards	Reduction S1,S2,S3	Initiated	To Measure	To implement
To integrate GHG and ISO 14064-1 with current YGL Sustainability Policies				
Waste Reduction & Circular Economy: composting food waste at café and weight before disposal	Reduction S3	On-going	On-going	On-going
Waste Reduction & Circular Economy: segregation of plastics, metals, paper & cardboard to reduce landfill	Reduction S3	On-going	On-going	On-going
Energy demand and use management	Reduction S2	Started	On-going	On-going
Upgrade to LED lighting, smart HVAC				
Encourage staff to turn off lights and equipment when not in use				
Installing solar Photovoltaic (PV) systems	Reduction S2	TBD	TBD	TBD
Incentivise staff to use public transport, carpooling, or cycling	Reduction S3	TBD	TBD	TBD

SUSTAINABILITY STATEMENT

PERFORMANCE DATA TABLE

Indicator	Unit	2025	2026	2027	Target
Economic Performance					
<i>Economic value generated (i.e., revenue and other income)</i>	MYR	14,071,821	-	-	
<i>Economic value distributed (i.e., operating costs, employee wages and benefits, payments to providers of capital, payments to government, and community investments)</i>	MYR	12,976,202	-	-	
<i>Economic value retained</i>	MYR	1,095,619	-	-	
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Management	Number	0	-	-	
Executive	Number	0	-	-	
Non-executive/Technical Staff	Number	0	-	-	
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0	-	-	
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	-	-	
Health & Safety					
Bursa C5(a) Number of work-related fatalities	Number	0	-	-	Zero fatality annually
Bursa C5(b) Lost Time Incident Rate ("LTIR")	Rate	0	-	-	
Bursa C5(c) Number of employees trained on health and safety standards	Number	9	-	-	
<i>Total hours worked</i>	Hours	17,640	-	-	
<i>Number of lost time injuries</i>	Number	0	-	-	
Cybersecurity & Data Protection					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer	Number	1	-	-	

Internal assurance

External assurance

No assurance

(*) Restated

SUSTAINABILITY STATEMENT

Indicator	Unit	2025	2026	2027	Target
Climate Change					
Bursa C4(a) Total energy consumption	Gigajoules	1087.68	-	-	
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ -e	0.4969	-	-	
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ -e	44.8229	-	-	
Bursa C11 (c) Scope 3 emissions in tonnes of CO ₂ e (i.e., business travel and employee commuting)	tCO ₂ -e	88.03	-	-	
Customer Satisfaction					
Customer satisfaction index	Percentage	78	-	-	
QLASSIC score	Percentage	-	-	-	
Employee Management					
Bursa C6(a) Total hours of training by employee category					
Management	Hours	60	-	-	
Executive	Hours	28	-	-	
Non-executive/Technical Staff	Hours	46	-	-	
General Workers	Hours	0	-	-	
Bursa C6(c) Total number of employee turnover by employee category					
Management	Number	0	-	-	
Executive	Number	0	-	-	
Non-executive/Technical Staff	Number	13	-	-	
General Workers	Number	0	-	-	
Average training hours per employee	Hours	2.79	-	-	
Total new hires	Number	16	-	-	
New hire rate	Percentage	23.08	-	-	
Turnover rate	Percentage	26.80	-	-	

Internal assurance	External assurance	No assurance	(*) Restated
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SUSTAINABILITY STATEMENT

Indicator	Unit	2025	2026	2027	Target
Diversity, Equity & Inclusion					
Bursa C3(a) Percentage of employees by gender and age group by employee category					
Gender group by employee category					
Management - Male	Percentage	4	-	-	
Management - Female	Percentage	2	-	-	
Executive - Male	Percentage	6	-	-	
Executive - Female	Percentage	2	-	-	
Non-executive/Technical Staff - Male	Percentage	57	-	-	
Non-executive/Technical Staff - Female	Percentage	29	-	-	
General Workers - Male	Percentage	0	-	-	
General Workers - Female	Percentage	0	-	-	
Age group by employee category					
Management - Under 30	Percentage	0	-	-	
Management - Between 30-50	Percentage	0	-	-	
Management - Above 50	Percentage	6	-	-	
Executive - Under 30	Percentage	0	-	-	
Executive Between 30-50	Percentage	6	-	-	
Executive Above 50	Percentage	2	-	-	
Non-executive/Technical Staff - Under 30	Percentage	35	-	-	
Non-executive/Technical Staff - Between 30-50	Percentage	43	-	-	
Non-executive/Technical Staff - Above 50	Percentage	8	-	-	
General Workers - Under 30	Percentage	0	-	-	
General Workers - Between 30-50	Percentage	0	-	-	
General Workers - Above 50	Percentage	0	-	-	

Internal assurance	External assurance	No assurance	(*) Restated
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SUSTAINABILITY STATEMENT

Indicator	Unit	2025	2026	2027	Target
Bursa C3(b) Percentage of directors by gender and age group					
Male	Percentage	80	-	-	
Female	Percentage	20	-	-	
Under 30	Percentage	0	-	-	
Between 30-50	Percentage	40	-	-	
Above 50	Percentage	60	-	-	
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4	-	-	
Gender diversity - Male	Percentage	2	-	-	
Gender diversity - Female	Percentage	2	-	-	
Age diversity - Under 30	Percentage	0	-	-	
Age diversity - Between 30-50	Percentage	2	-	-	
Age diversity - Above 50	Percentage	2	-	-	
Ethnic diversity - Bumiputera	Percentage	2	-	-	
Ethnic diversity - Chinese	Percentage	2	-	-	
Ethnic diversity - Indian	Percentage	0	-	-	
Ethnic diversity - Others	Percentage	0	-	-	
Human Rights					
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	-	Zero substantiated complaints concerning human rights violations annually
Supply Chain Management					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	N/A			
New suppliers that were screened using environmental criteria	Percentage	N/A			
Suppliers assessed for environmental impacts	Number	N/A			
New suppliers that were screened using social criteria	Percentage	N/A			
Suppliers assessed for social impacts	Number	N/A			

Internal assurance	External assurance	No assurance	(*) Restated
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SUSTAINABILITY STATEMENT

Indicator	Unit	2025	2026	2027	Target
Waste Management					
Bursa C10(a) Total waste generated	Metric tonnes	0.043606	-	-	
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.039	-	-	
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	0.0045201	-	-	
Community Investment					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	14,300	-	-	
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	4	-	-	
Employees participated in community impact programmes	Number	0	-	-	
Total hours spent on community impact programmes	Hours	0	-	-	
Water Management					
Bursa C9(a) Total volume of water used	Megalitres	0.497	-	-	
Materials					
Total weight or volume of materials that used to produce and package products and services	Tonnes	0	-	-	
Recycled materials used in ongoing developments	Percentage	0	-	-	

Internal assurance	External assurance	No assurance	(*) Restated
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SUSTAINABILITY STATEMENT

GLOSSARY

List of Abbreviations

ABC	Anti-Bribery and Corruption
ABMS	Anti-Bribery Management System
APEC	Asian Pacific Economic Cooperation
BMS	Building Management System
BRMSC	Board Risk Management and Sustainability Committee
CG	Corporate Governance
CIS	Construction Industry Standard
CoC	Code of Conduct
CRM	Customer Relationship Management
CRP	Corporate Risk Profile
CSS	Customer Satisfaction Survey
ERM	Enterprise Risk Framework
ESG	Environmental, Social and Governance
GBI	Green Building Index
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HIRARC	Hazard Identification, Risk Assessment, and Risk Control
HSE	Health, Safety and Environment
IBS	Industrialised Building System
ILO	International Labour Organisation
IPCC	Intergovernmental Panel on Climate Change
ISO	International Standard Organisation
IT	Information Technology
KPIs	Key Performance Indicators

LEED	Leadership in Energy and Environmental Design
LR	Listing Requirements
LTI	Lost Time Incident
LTIR	Lost Time Incident Rate
MACC	Malaysian Anti-Corruption Commission
MCCG	Malaysian Code on Corporate Governance
NGFS	Network for Greening the Financial System
NGO	Non-Governmental Organisation
OHS	Occupational Health and Safety
OHSMS	Occupational Health and Safety Management Systems
PDPA	Personal Data Protection Act
RCP	Representative Concentration Pathway
RIC	Risk, Integrity and Compliance
SBTi	Science Based Targets initiative
SDGs	Sustainable Development Goals
SMEs	Small and Medium Enterprises
SORMIC	Statement on Risk Management and Internal Control
SSC	Sustainability Steering Committee
SSO	SSO (Single Sign-On)
SWG	Sustainability Working Group
TCFD	Task Force on Climate-related Financial Disclosures
UNGC	United Nations Global Compact
QLASSIC	Quality Assessment System in Construction

SUSTAINABILITY STATEMENT

Source of Reference

Source	Website
GHG Protocol	https://ghgprotocol.org/sites/default/files/GHG%20Emissions%20Calculation%20Tool0.xlsx
DEFRA Reporting:conversion factors 2024	https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024
EPA GHG Emission Factors Hub	https://www.epa.gov/climateleadership/ghg-emission-factors-hub
IPCC Emission Factor Database	https://www.ipcc-nggip.iges.or.jp/EFDB/findef.php?ipcccode=3&ipcclevel=0
IGES List of Grid Emission Factors	https://www.iges.or.jp/en/pub/list-grid-emission-factor/en
Industrial Designation Fifth Assessment Report (AR5)	https://ghgprotocol.org/sites/default/files/ghgp/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf
GRI content index template 2021	https://www.globalreporting.org/reporting-support/reporting-tools/content-index-template/
Proposed Bursa Malaysias Illustrative Sustainability Report_4th edition	The "Proposed Bursa Malaysia Illustrative Sustainability Report 4th edition" is not yet released, but the 3rd edition was published in 2023 and a 4th edition is anticipated as part of the Securities Commission Malaysia's (SC) PACE initiative. The upcoming edition is expected to align with the new IFRS Sustainability Disclosure Standards and will include illustrative proforma disclosures focusing on climate-related risks and opportunities. This new report will provide guidance for companies transitioning to the IFRS Standards. Key details about the 4th edition • Timing: The 4th edition will be released by the SC as part of the PACE initiative. • Purpose: To provide companies with an illustrative reference for preparing sustainability reports in line with the new IFRS Sustainability Disclosure Standards. • Key focus: To guide the disclosure of climate-related risk and opportunities in accordance with IFRS S1 and IFRS S2. • Scope: The report will focus on principal business segments and will not require the disclosure of Scope 3 emissions unless otherwise mandated by other regulators.
IFRS Sustainability Disclosure Standard _Industry-based Guidance on Implementing Climate-related Disclosure; 2023	https://www.ifrs.org/content/dam/ifrs/publications/pdf-standards-issb/english/2023/issued/part-a/issb-2023-a-ifrs-s2-climate-related-disclosures.pdf?bypass=on

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("Board") is pleased to present the Audit and Risk Management Committee ("ARMC") Report, which outlines how the ARMC discharged its responsibilities for the Group during the 15-month financial period ended 30 June 2025 ("FY2025").

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. Its scope includes overseeing the Company and its subsidiaries in matter relating to accounting and financial reporting practices, risk management and internal control systems, external and internal audit processes, compliance with legal and regulatory requirements, and any other matters specifically delegated to the ARMC by the Board.

COMPOSITION

The composition of the ARMC comprises three (3) members, 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 composition of the ARMC complied with Rule 15.09 of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and Step-Up Practice 9.4 of the latest Malaysian Code on Corporate Governance ("MCCG"), thereby promoting good corporate governance with an Audit Committee comprised solely Independent Directors. None of the ARMC members serves as an Alternate Director.

The Chairman of the ARMC, Mr. Wong Khai Meng ("Mr. Wong"), is not the Chairman of the Board, in line with Practice 9.1 of the MCCG. Mr. Wong is a member of the Malaysian Institute of Accountants ("MIA"), accordingly, the ARMC composition satisfies Rule 15.09(1)(c) of AMLR, which requires at least one ARMC member to be an MIA member.

On 26 August 2025, the Nominating Committee ("NC") reviewed the terms of office of the ARMC and assessed its performance for FY2025. The NC concluded that the ARMC and its members had effectively discharged their functions, duties and responsibilities in accordance with the Terms of Reference ("TOR") of the ARMC, thereby supporting the Board in upholding appropriate corporate governance standards for the Ygl Group.

ROLES AND RESPONSIBILITIES

The ARMC operates under its TOR, which outlines its authority, duties and functions. The TOR is periodically reviewed and updated by the ARMC to reflect changes in regulatory requirements and the Company's strategic direction. Any proposed amendments are subject to the Board's approval. The TOR of the ARMC is available on the Company's website at <https://www.yglworld.com/>.

The Board has entrusted the ARMC with governance and oversight responsibilities for the Group's internal control and risk management systems, as well as ensuring the integrity of financial reporting. The ARMC also oversees the Group's internal audit ("IA") function, manages the relationship with the External Auditor, and report on its activities to shareholders.

The ARMC monitors the progress of preventive and corrective actions to ensures timely follow-up and resolution of identified issues.

The Group's system of internal control is designed to provide reasonable, though not absolute, assurance against material misstatement or loss and to enable potential issues to be promptly identified and addressed.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

MEETINGS

The ARMC convened six (6) meetings during FY2025. The attendance of the ARMC members is detailed below: -

Members	Attended	%
Wong Khai Meng	6/6	100
Muhammed Ali Bin Hajah Mydin	6/6	100
Wan Chia Keong	5/6	83

The ARMC convened quarterly and held additional sessions as required.

The dates of the quarterly meetings were predetermined prior to FY2025, and each meeting was of sufficient duration to allow the ARMC to address its agenda and discuss emerging issues.

Notice and agenda together with the papers and relevant reports were circulated to members prior to each meeting to enable members to prepare for the meeting. The Company Secretaries, who also serve as Secretaries to the ARMC, recorded Minutes of each meeting, which were tabled for confirmation at the subsequent ARMC meeting.

The ARMC Chairman provides verbal briefings to the Board on the proceedings of each ARMC meeting during 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 attended to present their audit plans, key audit findings and to assist the ARMC in reviewing the year-end financial statements.

Representatives of the internal auditors were also present to table the IA reports prepared under the approved IA plan for FY2025.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL PERIOD

The ARMC carried out the following activities during FY2025: -

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 28 May 2024, 29 August 2024, 28 November 2024, 25 February 2025, 27 May 2025 and 26 August 2025 before recommending the same to the Board for consideration and approval.
- Reviewed the annual audited financial statements of the Company and the Group for FY2025 to ensure they provided 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 reviewed Management's action plans to address those issues.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES DURING THE FINANCIAL PERIOD

The ARMC carried out the following activities during FY2025: - (Cont'd)

2. External Audit

- Reviewed and discussed with the external auditors of their audit planning memorandum, audit approach and reporting requirements for FY2025 prior to the commencement of audit work.
- Reviewed and discussed the observations, recommendations and Management's responses regarding the evaluation of the internal controls.
- Met with the external auditors without the presence of the Management on 11 July 2024 and 25 February 2025 to address any matters of concern arising from the statutory audit.
- Reviewed the proposed appointment of new external auditors to replace the resigning external auditors and recommended their appointment to the Board for approval.
- Reviewed the performance, independence, and audit fees of the external auditors, and being satisfied with these, recommended their re-appointment to the Board recommending for the Shareholder's approval at the Twenty-First Annual General Meeting.

3. Internal Audit

- Reviewed and approved the IA plan for FY2025 to ensure adequate scope and coverage of the Group's key risk areas.
- Reviewed the IA reports on the strengths and weaknesses of internal controls in the Group and the Company and followed up on the Management's corrective actions.
- Met with the internal auditors without the Management's present on 29 August 2024 and 28 November 2024 to ensure unrestricted scope of work and to discuss any issues raised by the internal auditors.
- Evaluated the effectiveness and independence of the IA function and was satisfied with the performance of the internal auditors for FY2025.

4. Internal Control and Risk Management

- Reviewed the adequacy and effectiveness of the Group's risk management and internal control system, and recommended to the Board appropriate improvements based on findings from both internal and external auditors.

5. Related Party Transactions

- Reviewed, on a quarterly basis, related party transactions of a recurring nature, if any, to ensure they were conducted on normal commercial terms and were not detrimental 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 to ensure compliance by the Company and the Group; and
- Reviewed and recommended the Statement of Risk Management and Internal Control and the ARMC Report for inclusion in the Annual Report, ensuring accuracy and compliance with AMLR requirements prior to Board's approval.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The Group has outsourced its IA functions to Messrs. Tan & Loh, which operates independently of the auditable area within the organisation and reports directly to the ARMC. Its responsibilities include reviewing the adequacy of the internal controls system and evaluating the various financial and operational risks faced by the Group.

During FY2025, the internal auditors carried out two (2) audit cycles focusing on the implementation of internal controls. The Management provided reasonable assurance that the Group's operations were conducted with adequate internal controls and in compliance with company policies and operational procedures. Any internal control weaknesses identified were reported to the ARMC, and the Management was advised to implement appropriate corrective measures.

The activities carried out by the IA for FY2025 included: -

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

The total cost incurred by the Group for the IA functions during FY2025 was approximately RM15,336.

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 Company's corporate governance ("CG") practices under the Board's stewardship during the 15-month financial period ended 30 June 2025 ("FY2025"). This Statement aligns with the Constitution of the Company, Malaysian Code on Corporate Governance ("MCCG"), and applicable laws, forming a dynamic framework within which the Company conducts its business.

This Statement should be read together with the detailed CG Report for FY2025, which explains the application of each MCCG practice and is available 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 responsible for charting the Company's strategic direction, creating long-term value, ensuring sustainable growth, safeguarding shareholders' and stakeholders' interests, and optimising the Group's resources.

Besides determining the Company's strategic objectives and policies to deliver long-term value and sustainable success, the Board leads the Group and plays a vital role in overseeing and monitoring Management's activities and performance to promote long-term growth and achieve short-term corporate objectives.

The position of Chairman remains vacant as the Board continues to seek a high-calibre individual to assume the oversight role. The Board works with the Chief Executive Officer ("CEO"), whose focus is on day-to-day operations of the business, and corporate decisions are made collectively by the Board.

The Board should exemplify high standards of CG by focusing on strategy, governance and compliance. During FY2025, the Independent Non-Executive Directors ("INEDs") were consistently kept informed of the progress and status of the Company. The Non-Executive Directors ("NEDs") held their own sessions with the Company Secretaries, internal and external auditors or other relevant parties to form independent opinions for presentation to the Board. Their input was taken seriously, and the Board commissioned appropriate actions to address any issues raised.

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

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

In addition to their statutory and fiduciary duties, the Board leads the decision-making process and retains ultimate control over the Group's strategic direction, policies and business development.

The principal focus of the Board includes:

- steering the Group's 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 implementing 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)**I. Board Responsibilities (Cont'd)**

Six (6) Board of Directors Meetings were held during FY2025 and the details of Directors' attendance are as follows: -

Directors	Attendance at Meeting	%
Yeap Kong Chean	6/6	100
Tan Hoay Leng	6/6	100
Wong Khai Meng	6/6	100
Muhammed Ali Bin Hajah Mydin	6/6	100
Wan Chia Keong	5/6	83

Directors' Training

The Directors recognise the importance of continuous training to further enhance their skills and knowledge.

During the financial year under review, the existing Directors attended various training programmes, conferences, and forums to broaden their perspectives and stay abreast of changes in the guidelines issued by the relevant authorities, as well as the latest developments in the marketplace. The details are as follows: -

Yeap Kong Chean

Title of Seminar/Workshop/Courses	Mode of Training	No. of Hours / Days Spent
Hasil-CTIM Tax Forum 2024	Webinar	8 hours
Seminar Percukaian Kebangsaan 2024 – Belanjawan 2025	Seminar	8 hours
Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Webinar	16 hours
Taxation of Employment Income – The Law and Practice based on Public Rulings	Webinar	7 hours
e-Invoice Implementation for Property Developers, Contractors and Related Industries	Webinar	7 hours

Tan Hoay Leng

Title of Seminar/Workshop/Courses	Mode of Training	No. of Hours / Days Spent
e-Invoice Mastery for Phase 2 & 3 IR4.0: Practical e-Invoicing and Tax Implementation in the Era of Industry 4.0	Webinar	14 hours
Seminar Percukaian Kebangsaan 2024 – Belanjawan 2025	Seminar	8 hours
Hazard Identification, Risk Assessment and Risk Control (HIRARC)	Webinar	8 hours
Project Planning, Scheduling and Control using MS Project	Webinar	16 hours
Occupational Safety and Health Management for Contractors	Webinar	16 hours
2025 Budget Seminar	Seminar	8 hours
Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Webinar	16 hours

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I. Board Responsibilities (Cont'd)

Wong Khai Meng

Title of Seminar/Workshop/Courses	Mode of Training	No. of Hours / Days Spent
21-Nov-2024 MIA Webinar Series: Excel Modelling for Project Financing - Investing Module	Webinar	7 hours
29-Oct-2024 MIA Webinar Series: Data Storytelling for Presenting Data Analytics Results 7	Webinar	7 hours
15-Aug-2024 Pre & Post IPO Rules	Physical	8 hours

Muhammed Ali Bin Hajah Mydin

Title of Seminar/Workshop/Courses	Mode of Training	No. of Hours / Days Spent
A.I to improving productivity in manufacturing	Classroom	4 hours
A.I development forum	Forum	4 hours
Industry 5.0 introduction	Classroom	4 hours

Wan Chia Keong

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

Board Charter

The Board has adopted a charter outlining the roles and responsibilities of the Board members including the division of duties among the Board as a whole, the EDs and INEDs ("the Charter"). The Charter is reviewed periodically to ensure alignment with the Company's strategic objectives and the relevant principles of CG. The Charter was last reviewed and approved by the Board on 27 May 2022 and is available on the Company's website.

Code of Conduct And Ethics

The Code of Conduct and Ethics for Directors ("the Code") set out the expected mindset and behaviour to promote high standards of conduct across the Company and to prevent misconduct or unethical practices.

Details of the Code are available on the Company's website for reference.

Whistleblowing Policy

The Whistleblowing Policy outlined the procedures and safeguards for Directors and employees to report any wrongdoing within the Group while protecting the Company's interests.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)**I. Board Responsibilities (Cont'd)****Anti-Bribery and Corruption Policy**

The Company has put in place an Anti-Bribery and Corruption Policy ("ABC Policy") in compliance with the Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The ABC Policy sets out the guidelines and procedures for all Directors and employees to prevent bribery and corruption while safeguarding the Company's integrity.

Details of the ABC Policy are available on the Company's website for reference.

The Company Secretaries

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

In discharging the roles, the Company Secretaries, amongst others responsibilities, undertake the followings: -

- Undertake statutory duties as required under the Companies Act 2016, the ACE Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Listing Requirements"), and the Capital Market and Services Act 2007;
- Facilitate and attend Board Meetings and Board Committee Meetings;
- Facilitate and attend the General Meeting(s);
- Ensure that the Board and Board Committee Meetings are properly convened and that proceedings are properly recorded;
- Ensure timely communication of the Board decisions to Management for further action;
- Ensure that all appointments to the Board and/or Board Committees are made in accordance with the relevant regulations and/or legislations;
- Maintain records to meet statutory obligations in applicable jurisdictions;
- Provide information requested by Directors in a timely manner and ensure adherence to Board policies and procedures;
- Assist the Company with the lodgement of documents with relevant statutory and regulatory bodies;
- Facilitate Board and/or Board Committees assessments and compile the results for their notation;
- Assist the Board in preparing announcements for release to Bursa Malaysia Securities Berhad ("Bursa Securities") and Securities Commission Malaysia; and
- Render advice and support to the Board and Management.

The Company Secretaries keep the Board informed of requirements such as restriction on dealing with the securities of the Company during closed periods, as well as updates on the latest legislative and regulatory developments affecting the Group. All Board members, individually or collectively, have access to the advice and services of the Company Secretaries on matters concerning the Group to support them in carrying out their duties.

Access to information, advice and meeting materials

The Board receives notice of meetings and agendas, together with the relevant Board papers prior to board meetings to ensure sufficient time and information for deliberation.

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

Directors have direct access to the advice and services of the Company Secretaries and Senior Management, and may seek independent professional advice when in the event such services are required. The Board also has unrestricted access to information from all staff on matters relating to the Group's affairs and may obtain external professional advice at the Company's expense when circumstances require.

During the meetings, the Board reviewed the Group's financial performance, business operations, reports of committees and other relevant matters.

If a Director cannot attend in person, the Constitution of the Company permits participation via video conference, telephone, or other electronic means.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

II. Board Composition

The Board currently comprises five (5) Directors: two (2) EDs and three (3) INEDs. Brief profiles of each Director are provided in this Annual Report.

Collectively, the Board brings a mix of industry-specific knowledge and broad business, financial, regulatory and technical experience. However, it is not yet fully diverse in terms of age, ethnicity, thoughts and perspective.

The Company does not practice bias based on gender, ethnicity and age. All candidates for the Board and Senior Management are given fair and equal consideration. The Board believes there is no detriment in not adopting a formal diversity policy as the Company is committed to provide equal opportunities and fostering diversity within the Group.

Nevertheless, the Board affirms its commitment to boardroom diversity, recognising that a truly diverse Board enhances the Board's effectiveness, broadens perspective, and strengthens creativity and resilience in both favourable and challenging conditions. In identifying suitable candidates, the Nominating Committee evaluates candidates on merit against objective criteria, while giving due regard to the benefits of diversity.

Operating in the fast-evolving information technology sector, the Company values the insights and fresh approaches that younger generations can bring. Women currently represent 20% of the Board, with one (1) female ED.

Following its FY2025 review on the Board composition, the Board is satisfied 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.

To support the discharge of its fiduciary duties, the Board has delegated specific responsibilities to three (3) Board Committees, each operating within approved Terms of Reference ("TOR"). These Committee have no executive powers and make recommendations only, with the final decision rests with the Board as a whole. The Committees are: -

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

The NC currently comprises exclusively the following INEDs: -

Chairman

En. Muhamed Ali Bin Hajah Mydin (*INED*)

Committee Members

Mr. Wong Khai Meng (*INED*)

Mr. Wan Chia Keong (*INED*)

The NC operates under a formal TOR approved by the Board. The TOR of the NC is available on the Company's website.

Directors' Fit and Proper Policy

The Directors' Fit and Proper Policy establishes benchmarks and provides guidance for the NC in reviewing and assessing candidates for Board appointment as well as Directors seeking re-election.

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

During FY2025, the NC undertook the following key activities: -

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)**II. Board Composition (Cont'd)**

In accordance with Clause 76(3) of the Constitution of the Company, one-third (1/3) or the number nearest to one-third (1/3) of the Board for the time being shall retire by rotation at each AGM, ensuring that all Directors retire at least once every three (3) years but shall be eligible for re-election.

The retiring Directors at the forthcoming AGM under Clause 76(3) are Mr. Yeap Kong Chean and Mr. Wan Chia Keong. Both have consented to continue in office and offered themselves for re-election. After evaluating their contributions, guidance, time commitment, skills, and experience, the NC has recommended their re-election.

The Board is responsible for appointing new Directors while the NC screens and conducts the initial selection, including external search, before making recommendation to the Board. The NC may engage professional recruitment firms or seek independent professional advice when necessary.

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

The Board recognises the importance of not relying solely on recommendations from existing Board members, Management or major shareholders while acknowledging that such nominations may have merit.

Director assessment is an on-going responsibility of the Board. A formal annual evaluation process is in place to assess the effectiveness of the Board and its Committees, as well as the performance of individual Director. Criteria include roles, duties, responsibilities, competency, expertise and contribution for individual assessment, and composition, processes, accountability, and fulfilment of duties for Board and Committees evaluations. The latest annual assessment confirmed that the Board has effectively discharged its duties and responsibilities.

III. Remuneration

The Group recognises that its workforce is pivotal to long-term growth and sustainability. An effective remuneration package is essential for attracting, retaining, and motivating individuals to drive and sustain the business.

The Board has established a Remuneration Policy applicable to all employees, including the EDs and INEDs. The Remuneration Policy is guided by principles that balance short-term business objectives with the Group's long-term goals, ensuring competitiveness while supporting individual development.

The RC oversees the implementation of remuneration policies and procedures, including the review and recommendation of Board remuneration matters in line with the recommendations of MCCG.

The RC comprises the following members, all of whom are INEDs.

Chairman

En. Muhamed Ali Bin Hajah Mydin (*INED*)

Committee Members

Mr. Wong Khai Meng (*INED*)

Mr. Wan Chia Keong (*INED*)

During FY2025, the RC conducted its annual review of the overall remuneration for Directors and key senior management personnel. The Committee also deliberated on the proposed Directors' fees for FY2025 which will be subject to shareholders' approval at the forthcoming AGM. Following these deliberations, the RC presented its recommendation and findings to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

III. Remuneration (Cont'd)

The summary of Directors' remuneration in the Company and its subsidiaries for the FY2025 is as follows: -

Directors	Company			Group			
	Salary RM	Bonus RM	Fee RM	Salary RM	Bonus RM	Fee RM	EPF RM
Executive							
Yeap Kong Chean	-	-	-	271,892	16,000	-	16,384
Tan Hoay Leng	-	-	25,000	134,000	8,500	-	17,100
Non-Executive							
Wong Khai Meng	-	-	25,000	-	-	-	-
Muhammed Ali Bin Hajah Mydin	-	-	25,000	-	-	-	-
Wan Chia Keong	-	-	25,000	-	-	-	-
Total	-	-	100,000	405,892	24,500	-	33,484

There are five (5) Senior Management whose remuneration falls within the following bands:

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

The remuneration values above are presented on an aggregate basis and include salary, allowances, bonuses, benefits-in-kind and other emoluments of the relevant personnel.

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 must be approved by shareholders at a general meeting.

In determining the estimated total amount for the NEDs, the Board considered various factors including the number of scheduled meetings of the Board, Board Committees and subsidiary Board as well as the time commitment required of the NEDs for these meetings.

The relevant resolutions for the Directors' fees and benefits payable to the Directors will be tabled for shareholders' approval at the forthcoming 21st AGM of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**I. Audit and Risk Management Committee**

The ARMC comprises three (3) INEDs, in compliance with Rule 15.09(1)(b) of the ACE Market Listing Requirements ("AMLR") of Bursa Securities, which requires that "all the Audit Committee members must be non-executive directors, with a majority being independent".

The Company also 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 Mr. Wong Khai Meng ("Mr. Wong"), an INED who is not the Chairman of the Board.

Mr. Wong is a member of Malaysian Institute of Accountants ("MIA"), thereby meeting the requirement of Rule 15.09 (1)(c)(i) of AMLR.

In line with Practice 9.2 of the MCCG, the TOR of the ARMC have been updated to include a policy requiring a former key audit partner to observe a cooling-off period of at least three (3) years before appointment to the Committee. None of the current ARMC members are former key audit partners of the Company.

The current composition of three (3) INEDs is also in line with the Step-Up Practice 9.4 of the MCCG.

The current composition of the ARMC is as follows: -

Chairman

Mr. Wong Khai Meng (*INED*)

Committee Members

En. Muhamed Ali Bin Hajah Mydin (*INED*)

Mr. Wan Chia Keong (*INED*)

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

Suitability, objectivity and independence of the external auditors

The ARMC conducts an annual evaluation of the external auditors' suitability, objectivity and independence using the external auditors' performance and independence checklist.

During FY2025, the ARMC held two (2) private sessions with the external auditors without Management's presence.

The external auditors continue to report their findings to the ARMC, which are incorporated into the Company's audited financial statements. This practice ensures a transparent arrangement that meets all professional requirements.

The ARMC has received written assurance from the external auditors confirming their independence throughout the audit engagement in accordance with applicable professional and regulatory requirements.

The ARMC reviews and recommends the re-appointment of the external auditors, with the final appointment subject to the approval of the shareholders at the AGM. The external auditors report to the ARMC on all matters related to the Group's financial audit and are invited to attend ARMC meetings as necessary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

II. Risk Management and Internal Control Framework

The ARMC of the Company is entrusted with assessing and monitoring the robustness of the Group's risk management controls and measures.

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

The internal auditors adopt standards and practices aligned with the International Professional Practices Framework issued by the Institute of Internal Auditors. As at 30 June 2025, the internal audit firm employed 14 personnel.

The name and qualifications of the individual responsible for the internal audit are as follows: -

1. Dr. Tan Yen Wooi, Managing Partner of Messrs. Tan & Loh, obtained his Master of Science in Professional Accountancy from University of London in 2017. He is a member of the MIA, Malaysia Institute of Taxation and Institute of Internal Auditors Malaysia.
2. Mr. Sugantharan, senior-in-charge, holds a Bachelor of Accounting from Anglia Ruskin University, United Kingdom (2016).

None of the internal audit personnel have any relationship or conflict of interest that could compromise their objectivity or independence in carrying out internal audit functions.

On 28 August 2025, the ARMC conducted a review and assessment on the adequacy and independence of the Company's internal audit function for FY2025 in compliance with Rule 15.12 (1)(f) of AMLR.

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

I. Effective, transparent and regular communication with stakeholders

The Group recognises and emphasises, the importance of clear communication with shareholders and stakeholders, as effective engagement builds public confidence in the Company. The Board strives to ensure that annual reports, quarterly results, press release and announcements are released on a timely basis to provide up-to-date information on the Group's business activities and financial performance.

The Company maintains a transparent communication channel with the shareholders and stakeholders, ensuring that disclosures are timely, relevant and accurately published on the Company's website.

The Annual Report remains the primary medium for communicating comprehensive information on the Group's financial results and activities.

During FY2025, no investor relations event was held other than the AGM on 29 August 2024, where the Directors and external auditors were present to address questions from shareholders.

II. Conduct of General Meetings

In compliance with Practice 13.1 of the MCCG, shareholders should receive the Annual Report and notice of AGM at least twenty-eight (28) days prior to the meeting date.

In line with good CG practice, the notice of the 20th AGM was issued more than twenty-eight (28) days before the AGM to provide shareholders sufficient time to consider the proposed resolutions. The notice included explanation beyond the minimum requirements of AMLR, together with relevant background information, reports and recommendations to enable shareholders to make informed decision in exercising their voting rights.

The notice of the 20th AGM was also published in a nationally circulated daily newspaper within the mandatory period and announced via Bursa Securities' platform as well as published on the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

II. Conduct of General Meetings (Cont'd)

All voting at the AGM was conducted by poll, with an independent scrutineer appointed to validate the votes. The detailed results including the total number of votes for and against each resolution and the corresponding percentages were announced at the Meeting and subsequently released via Bursa Securities' website.

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 Senior Management attended the 20th AGM to engage directly with shareholders.

The general meeting provides a platform for two-way communication, enabling shareholders to participate in the question-and-answer session and exercise their voting rights on the proposed resolutions. The Board ensures that all Directors, particularly the chairperson of each Board Committee, make every effort to attend the AGM to facilitate engagement and address questions or concerns raised by the shareholders.

The representatives of external auditors were also present to respond to queries regarding the audit, the preparation and content of the auditors' report, the Company's accounting policies, and the independent audit review of the Company's financial position.

In addition, written questions submitted by the Minority Shareholders Watch Group and the Company's responses were presented to shareholders during the 20th AGM.

IV. Minutes of General Meeting

The AGM remains a key platform for communication and engagement between the Company and its shareholder, facilitating two-way discussion on the Company's achievements, performance over the past year, and strategies for both the near and long-term.

The minutes of AGM serve as an official record of proceeding, capturing the mutual understanding, agreements, and resolutions reached between shareholders and the Board.

The minutes of the 20th AGM, detailing the discussions, issues raised by shareholders, and the Company's responses, were made available on the Company's website at <https://www.yglworld.com/> within 30 business days after the conclusion of the AGM. These minutes provide valuable information for shareholders and investors, particularly those unable to attend, to stay informed of the AGM outcomes.

STATEMENT OF COMPLIANCE WITH THE RECOMMENDATIONS OF MCCG

Save for the exceptions set out above, the Board is of the opinion that the Company has generally adhered to the practices set out in MCCG during FY2025. Any MCCG practices not implemented during the financial year will be reviewed by the Board and adopted where appropriate and relevant to the Group's business operations.

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 15-month financial period ended 30 June 2025 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 Group's risk management and internal control system covers key areas including governance, financial management, operational control and regulatory compliance. 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. The risk management and internal control system, while designed to manage risks effectively, 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 period 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.

RISKS MANAGEMENT FRAMEWORK

The Board considers risk assessment and 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 by establishing a risk management framework for the Group. The Board recognises the importance of continuous review and improvement to its risk management framework 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 ARMC 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;
- Conduct a series of quality control measures to ensure and maintain 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 period 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 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, and subject to ongoing review and continuous improvement.

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 period and of their financial results and cash flows for the financial period then ended.

The Board is responsible to ensure that the proper accounting records are maintained 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, applicable accounting standards and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the financial statements for the 15-month financial period ended 30 June 2025, the Board has: -

- ensured that all applicable approved accounting standards in Malaysia have been followed;
- applied appropriate and relevant accounting policies consistently, subject to any material departures that are 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, having reasonable expectation, after due enquiry that the Group and the Company have adequate resources to continue operations for the foreseeable future.

The Board also bears general responsibility for taking all reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Furthermore, 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 basis, keeping public informed of the Group's latest performance and developments.

The Board has provided the auditors with full access to all information, explanations and inspections they deemed necessary to enable them to issue 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 per share ("Private Placement"). The Private Placement was carried out under the special mandate for the issuance of shares pursuant to Section 75 and Section 76 of the Companies Act 2016 and Rule 6.04(3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Total gross proceeds raised amounted to RM2,075,220.

As at 14 October 2025, the status of the utilisation of the proceeds arising from the Private Placement is as follows: -

Details	RM'000
1) Listing and placement expenses	200
2) Software development	1,000
3) Working capital	375
4) Marketing expenses	338
5) Balance of the proceeds which has yet to be utilised	162
Total proceeds arising from Private Placement	2,075

AUDIT FEES AND NON-AUDIT FEES

The audit and non-audit fees paid or payable to the Company's external auditors for the 15-month financial period ended 30 June 2025 are as follows: -

	Company RM	Group RM
Audit fees	60,000	231,041
Non-audit fees	8,000	8,000
Total fees	68,000	239,041

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 does not create any conflict of interest or impair the independence and objectivity of the external auditors.

MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

Other than those disclosed in Note 26 to the audited financial statements in this Annual Report, there were no material contract (other than contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries involving the interest of the Company's Directors, the Chief Executive who is not a Director or major shareholders, either still subsisting as at 30 June 2025 or entered into since the end of the previous financial year ended 31 March 2024.

ADDITIONAL COMPLIANCE INFORMATION

EMPLOYEES' SHARES OPTION SCHEME ("ESOS")

The ESOS, which allows the granting of options of up to 30% of the issued and paid-up share capital of the Company at any point in time during its tenure, has been extended until 5 November 2027.

The total number of options granted to eligible Directors and employees of the Group, and outstanding options as at 30 June 2025, are set out in the table below: -

Description	Number of Options
Granted in the previous year/At 1 April 2024	1,747,000
Granted during the financial period	-
Exercised during the financial period	(270,000)
Lapsed during the financial period	(15,000)
Outstanding options exercisable as at 30 June 2025	1,462,000

The total number of options granted to the eligible Directors and Senior Management, and the outstanding options as at 30 June 2025 are set out in the table below: -

Description	Number of Options	
	Directors	Senior Management
Granted in the previous year/At 1 April 2024	490,000	660,000
Granted during the financial period	-	-
Exercised during the financial period	-	(170,000)
Lapsed during the financial period	-	-
Outstanding options exercisable as at 30 June 2025	490,000	490,000

Percentage of options granted to Directors and Senior Management since the commencement of the ESOS (up to 30 June 2025) are as follows: -

	Percentage
Aggregate maximum allocation applicable	50%
Actual percentage granted	11.87%

No options were granted to Independent Non-Executive Directors under ESOS for the 15-month financial period ended 30 June 2025.

DIRECTORS' REPORT

For the financial period from 1 April 2024 to 30 June 2025

The directors have pleasure in submitting their report together with the audited financial statements of the Group and the Company for the financial period from 1 April 2024 to 30 June 2025.

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.

CHANGE OF FINANCIAL YEAR END

The Company had changed its financial year end from 31 March to 30 June. Consequently, the financial statements of the Company are made up for a period of 15 months from 1 April 2024 to 30 June 2025.

RESULTS

	Group RM	Company RM
Profit for the financial period	<u>2,693,797</u>	<u>2,166,236</u>
Attributable to:		
Owners of the company	2,426,540	2,166,236
Non-controlling interests	<u>267,257</u>	<u>-</u>
	<u>2,693,797</u>	<u>2,166,236</u>

In the opinion of the directors, the results of the operations of the Group and the Company during the financial period 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.

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 period.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT

For the financial period from 1 April 2024 to 30 June 2025

ISSUE OF SHARES AND DEBENTURES

During the financial period, the Company:

- (a) issued 932,349 new ordinary shares at a price of RM0.15 per ordinary share pursuant to the private placement for working capital purposes; and
- (b) issued 800,000 new ordinary shares at a price of RM0.16 per ordinary share pursuant to the private placement for working capital purposes; and
- (c) issued 170,000 new ordinary shares at a price of RM0.16 per ordinary share pursuant to the exercise of share options under the ESOS; and
- (d) issued 100,000 new ordinary shares at a price of RM0.19 per ordinary share pursuant to the exercise of share options under the ESOS.

The new ordinary shares issued rank pari passu in all respects with the then existing ordinary shares of the Company.

The Company did not issue any debentures during the financial period.

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 26 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.

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

Grant date	Exercise price RM	Number of options over ordinary shares				At 30.6.2025
		At 1.4.2024	Granted and accepted	Exercised	Lapsed	
6 November 2017	0.1612	1,597,000	-	(170,000)	-	1,427,000
21 April 2021	0.1904	150,000	-	(100,000)	(15,000)	35,000

The salient features of the ESOS are disclosed in Note 16(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 period up to the date of this report are as follows:

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

* Also a Director of certain subsidiaries

DIRECTORS' REPORT

For the financial period from 1 April 2024 to 30 June 2025

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 period 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

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 period and their interests in the Group and the Company during the financial period were as follows:

	Number of ordinary shares			
	At 1.4.2024	Bought	Sold	At 30.6.2025
The Company				
Direct Interest:				
Yeap Kong Chean	45,866,668	932,349	-	46,799,017
Indirect Interest:				
Tan Hoay Leng #	45,866,668	932,349	-	46,799,017

Deemed interested through her spouse.

	Number of options over ordinary shares				
	At 1.4.2024	Granted and accepted	Exercised	Lapsed	At 30.6.2025
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 period had any interest in the shares and options over shares of the Company or of its related corporations during the financial period.

DIRECTORS' REPORT

For the financial period from 1 April 2024 to 30 June 2025

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:

	Group RM	Company RM
Fee	100,000	100,000
Salaries, bonus and other emoluments	430,392	-
Contributions to defined contribution plan	33,484	-
Total fees and other benefits	563,876	100,000

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 Note 26(b) to the financial statements.

Other than the ESOS as disclosed in Note 16 to the financial statements, there were no arrangements during or at the end of the financial period 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.

INDEMNITY AND INSURANCE COST

There was no indemnity given to or insurance effected for the directors or officers of the Group and of the Company during the financial period.

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 there were no known bad debts to be 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 it necessary to write off any 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.

DIRECTORS' REPORT

For the financial period from 1 April 2024 to 30 June 2025

OTHER STATUTORY INFORMATION (Cont'd)

(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 period 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 period.

(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 period, 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) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period 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 period in which this report is made.

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 7 to the financial statements. There is no qualified auditor's report on the financial statements of any subsidiary for the financial period in which this report is made.

As at the end of the financial period, none of the subsidiaries hold any shares in the holding company or in other related corporations.

AUDITORS

To the extent permitted by laws, the Company has agreed to indemnify its auditors, as part of the terms of its audit engagement, against claims arising from the audit. No payment has been made to indemnify the auditors for the current financial period.

The total amount of fees paid to or receivable by the auditors as remuneration for their services as auditors of the Group and of the Company for the current financial period are RM239,041 and RM68,000 respectively.

The auditors, Forvis Mazars PLT, Chartered Accountants, have expressed their willingness to accept re-appointment.

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the board of directors, and signed on behalf of the board of directors in accordance with a directors' resolution.

YEAP KONG CHEAN

Director

28 October 2025

TAN HOAY LENG

Director

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Yeap Kong Chean and Tan Hoay Leng, being two of the directors of Ygl Convergence Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and financial performance and cash flows of the Group and of the Company for the financial period from 1 April 2024 to 30 June 2025 in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

.....

YEAP KONG CHEAN

Director

28 October 2025

.....

TAN HOAY LENG

Director

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Tan Hoay Leng, being the director primarily responsible for the financial management of Ygl Convergence Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements are 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 28 October 2025)

Before me:

.....

TAN HOAY LENG

.....

Commisioner 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 30 June 2025 of the Group and of the Company, 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 period from 1 April 2024 to 30 June 2025, and notes to the financial statements, including material accounting policy information, as set out on pages 104 to 184.

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 30 June 2025, and of their financial performance and their cash flows for the financial period from 1 April 2024 to 30 June 2025, in accordance with MFRS Accounting Standards, IFRS Accounting 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 the 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 period. 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.

(a) Valuation of investment in former associate company measured at fair value

Refer to Note 8 and Note 9 to the financial statements

As at 30 June 2025, the Group's carrying amount of its investment in YGL iBay International Sdn. Bhd. ("YGL iBay") was RM3,420,000. This investment had previously been classified as an associate on the basis of significant influence through board representation, notwithstanding the Group's and the Company's 9.6% equity interest. The investment was accounted for using the equity method, net of any impairment losses in the Group's consolidated financial statements, and measured at cost, net of any impairment losses, in the Company's financial statements.

On 8 May 2025, the Group and the Company ceased to have significant influence over YGL iBay International Sdn. Bhd. as it no longer had representation on the investee's board.

In the Group's financial statements, the Group recognised the retained equity interest at fair value of RM3,420,000. The difference between the carrying amount of the associate and the fair value of the retained interest of RM1,133,753 is recognised as gain on disposal of associate in profit or loss.

In the Company's separate financial statements, the Company recognised the retained equity interest at fair value of RM3,420,000. The difference between the carrying amount of the associate and the fair value of the retained interest of RM1,945,000 is recognised as gain on disposal of associate in profit or loss.

INDEPENDENT AUDITORS' REPORT

To the Members of YGL Convergence Berhad

Key Audit Matters (Cont'd)

(a) Valuation of investment in former associate company measured at fair value (Cont'd)

Refer to Note 8 and Note 9 to the financial statements (Cont'd)

In the Group's and Company's financial statements, the retained equity interest has been classified as financial assets – equity instruments measured at FVTOCI under MFRS 9 and presented as non-current asset in the statement of financial position because the Group does not intend to dispose the investment within 12 months of the reporting date.

We identified the valuation of this investment as a key audit matter because the fair value of the investment in equity instrument is material to the financial statements of the Group and its fair-value measurement involved significant management judgment in selecting an appropriate valuation methodology and estimating key inputs, discount rates and other unobservable data.

Our response:

Our audit procedures included, among others, the following:

- (i) We assessed the reasonableness of management's determination that significant influence had been lost and reviewed board minutes and statutory documents to verify that loss.
- (ii) We considered and assessed the independent professional valuer's competency, capability and objectivity.
- (iii) We evaluated the methodologies used to determine the fair value, assessed and challenged the reasonableness of key assumptions and inputs adopted in estimating the fair value of the investment.
- (iv) We recalculated the difference between the carrying amount and fair value at the date of reclassification and ensured that the resulting gain or loss was appropriately recognised in profit or loss.
- (v) We reviewed and assessed the adequacy of related disclosures in the financial statements.

(b) Revenue recognition for solar panel installation services

Refer to Note 21 to the financial statements

For the financial period from 1 April 2024 to 30 June 2025, the Group generated revenue of RM9,335,881 from its solar panel installation business segment, representing approximately 58% of total Group revenue.

For commercial customers, the Group recognises revenue from solar panel installation services over time by reference to the progress towards complete satisfaction of the performance obligations stipulated in the contract.

For residential customers, the Group recognises revenue from solar panel installation services at point in time when control transfers to the customer upon the completion of the installation of solar panel.

The estimation of the stage of completion for milestone-based contracts and the allocation of the transaction price to identified performance obligations require significant judgment by management and are inherently susceptible to timing bias. These judgments include interpreting contract terms and conditions, assessing and identifying distinct performance obligations, estimating the percentage of milestone completion and assessing the computation of revenue recognition.

During the current period, the Group corrected material errors in its prior years' revenue recognition, which arose from inaccuracies in the timing of revenue recognition and the determination of performance obligations. As a result, a material prior year adjustment was recorded to restate the comparative revenue balances.

In view of the materiality of revenue from solar panel installation services recognised by the Group, the level of judgement involved and the material impact of the prior year adjustment on comparative figures and disclosures, we have identified revenue recognition for solar panel installation services as a key audit matter.

INDEPENDENT AUDITORS' REPORT

To the Members of YGL Convergence Berhad

Key Audit Matters (Cont'd)

(b) Revenue recognition for solar panel installation services (Cont'd)

Our response:

- (i) We obtained understanding of the revenue recognition process and the Group's consideration of MFRS 15 to its solar installation contracts and assessed the appropriateness thereof.
- (ii) We evaluated the design and implementation of relevant controls over revenue recognition process and performed walkthroughs.
- (iii) We reviewed the terms of selected samples of sales contracts and evaluated the appropriateness of the Group's revenue recognition policy against the requirements of MFRS 15.
- (iv) We performed tests of details on recorded revenue and related costs and applied substantive cut-off procedures to verify that transactions were recognised in the correct period.
- (v) We assessed the adequacy of disclosures on revenue recognition and the prior-year adjustment in the financial statements.

(c) Revenue recognition for software installation and commissioning

Refer to Note 21 to the financial statements

For the financial period from 1 April 2024 to 30 June 2025, revenue from the Group's software implementation business segment amounted to RM6,423,494 representing approximately 40% of total revenue.

Revenue from software implementation contracts is recognised over time by reference to progress towards complete satisfaction of each distinct performance obligation. Revenue from simple, discrete customisations, short-term configuration services or one-off software deliverables is recognised at the point in time when control transfers to the customer, normally on delivery or upon formal customer acceptance.

The identification of distinct performance obligations, the allocation of the transaction price and the measurement of progress towards completion require significant judgement by management and are inherently susceptible to timing bias. These judgments include interpreting contract terms and conditions, assessing and identifying distinct performance obligations, estimating the percentage of milestone completion and assessing the computation of revenue recognition.

In view of the materiality of software implementation revenue to the Group's results, the complexity of contract terms and the significant judgements involved in determining when and how much revenue to recognise, we have identified revenue recognition for software implementation contracts as a key audit matter.

Our response:

- (i) We obtained understanding of the revenue recognition process and the Group's consideration of MFRS 15 to its software installation and commissioning contracts and assessed the appropriateness thereof.
- (ii) We evaluated the design and implementation of relevant controls over revenue recognition process and performed walkthroughs.
- (iii) We reviewed the terms of selected samples of sales contracts and evaluated the appropriateness of the Group's revenue recognition policy against the requirements of MFRS 15.
- (iv) We performed tests of details on recorded revenue and related costs and applied substantive cut-off procedures to verify that transactions were recognised in the correct period.
- (v) We assessed the adequacy of disclosures on revenue recognition and the prior-year adjustment 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 of the Group and of the Company 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.

INDEPENDENT AUDITORS' REPORT

To the Members of YGL Convergence Berhad

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

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 MFRS Accounting Standards, IFRS Accounting 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 Group's and the Company's ability 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 or 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 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 of the Group and of the Company 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 or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

To the Members of YGL Convergence Berhad

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

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: (Cont'd)

- 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 of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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, actions taken to eliminate threats or safeguards applied.

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 period 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 7 to the financial statements.

Other Matters

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.

The financial statements of the Group and of the Company for the financial year ended 31 March 2024 were audited by another firm of auditors whose report dated 26 July 2024 expressed an unmodified opinion.

Forvis Mazars PLT
201706000496 (LLP0010622-LCA)
AF 001954
Chartered Accountants

Wong King Yu
03194/06/2027 J
Chartered Accountant

Kuala Lumpur
28 October 2025

STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

			Group	
	Note	30.6.2025	31.3.2024	1.4.2023
		RM	(Restated)	(Restated)
			RM	RM
ASSETS				
Non-current assets				
Property, plant and equipment	5	4,025,683	4,186,341	3,566,086
Investment property	6	750,000	750,000	750,000
Investment in an associate	8	-	2,020,908	2,068,366
Investment in an equity instrument	9	3,420,000	-	-
Intangible assets	10	111,313	113,333	114,949
		<u>8,306,996</u>	<u>7,070,582</u>	<u>6,499,401</u>
Current assets				
Inventories	11	529,079	572,645	813,969
Trade and other receivables	12	3,447,510	3,867,134	2,596,301
Current tax assets		166,041	237,365	269,164
Cash and bank balances	14	6,772,005	8,658,633	3,889,689
		<u>10,914,635</u>	<u>13,335,777</u>	<u>7,569,123</u>
TOTAL ASSETS		<u>19,221,631</u>	<u>20,406,359</u>	<u>14,068,524</u>
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	15	11,824,461	11,475,588	30,400,368
Other reserves	16	1,770,000	1,945,697	403,388
Retained profits/(Accumulated losses)		2,103,841	(355,428)	(21,854,157)
		<u>15,698,302</u>	<u>13,065,857</u>	<u>8,949,599</u>
Non-controlling interests		430,872	153,205	(268,144)
Total equity		<u>16,129,174</u>	<u>13,219,062</u>	<u>8,681,455</u>
Non-current liabilities				
Deferred tax liabilities	17	106,776	106,776	-
Contract liabilities	18	35,780	24,498	17,782
		<u>142,556</u>	<u>131,274</u>	<u>17,782</u>
Current liabilities				
Trade and other payables	19	1,769,049	3,784,642	1,985,018
Contract liabilities	18	1,081,771	2,036,905	1,675,697
Bank borrowings	20	-	1,036,620	1,699,617
Current tax liabilities		99,081	197,856	8,955
		<u>2,949,901</u>	<u>7,056,023</u>	<u>5,369,287</u>
Total liabilities		<u>3,092,457</u>	<u>7,187,297</u>	<u>5,387,069</u>
TOTAL EQUITY AND LIABILITIES		<u>19,221,631</u>	<u>20,406,359</u>	<u>14,068,524</u>

STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

			Company	
	Note	30.6.2025 RM	31.3.2024 (Restated) RM	1.4.2023 (Restated) RM
ASSETS				
Non-current assets				
Property, plant and equipment	5	1,882,127	2,160,470	2,383,145
Investment in subsidiaries	7	5,001,632	3,600,803	7,910,603
Investment in an associate	8	-	1,475,000	1,475,000
Investment in an equity instrument	9	3,420,000	-	-
		<u>10,303,759</u>	<u>7,236,273</u>	<u>11,768,748</u>
Current assets				
Trade and other receivables	12	2,504	15,005	16,433
Amount due from subsidiaries	13	53,403	511,339	429,579
Current tax assets		67,905	67,895	66,895
Cash and bank balances	14	3,911,542	4,033,804	1,860,294
		<u>4,035,354</u>	<u>4,628,043</u>	<u>2,373,201</u>
TOTAL ASSETS		<u>14,339,113</u>	<u>11,864,316</u>	<u>14,141,949</u>
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	15	11,824,461	11,475,588	30,400,368
Other reserves	16	193,300	231,093	280,043
Retained profits/(Accumulated losses)		2,246,159	77,896	(16,592,074)
Total equity		<u>14,263,920</u>	<u>11,784,577</u>	<u>14,088,337</u>
Current liabilities				
Trade and other payables	19	75,193	79,739	53,612
Total liabilities		<u>75,193</u>	<u>79,739</u>	<u>53,612</u>
TOTAL EQUITY AND LIABILITIES		<u>14,339,113</u>	<u>11,864,316</u>	<u>14,141,949</u>

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

STATEMENTS OF COMPREHENSIVE INCOME

For the financial period from 1 April 2024 to 30 June 2025

	Note	Group		Company	
		1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM
Revenue	21	16,030,764	11,004,521	10,000	10,000
Cost of sales		(10,584,606)	(6,921,133)	-	-
Gross profit		5,446,158	4,083,388	10,000	10,000
Other income		2,549,861	1,200,962	2,804,324	105,940
General and administrative expenses		(4,836,438)	(4,375,801)	(648,088)	(4,494,920)
Net remeasurement of loss allowances on trade receivables		(240,188)	191,938	-	-
Profit/(Loss) from operations		2,919,393	1,100,487	2,166,236	(4,378,980)
Finance costs		(7,150)	(65,545)	-	-
Share of results of an associate	8	265,339	(47,458)	-	-
Profit/(Loss) before tax	22	3,177,582	987,484	2,166,236	(4,378,980)
Tax expense	23	(483,785)	(221,356)	-	-
Profit/(Loss) for the financial period/year		2,693,797	766,128	2,166,236	(4,378,980)
Other comprehensive income/ (loss), net of tax					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences for foreign operations		(137,904)	630,271	-	-
Gain on revaluation of property, plant and equipment		-	960,988	-	-
Total other comprehensive (loss)/income for the financial period/year		(137,904)	1,591,259	-	-
Total comprehensive income/ (loss) for the financial period/year		2,555,893	2,357,387	2,166,236	(4,378,980)

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

STATEMENTS OF COMPREHENSIVE INCOME

For the financial period from 1 April 2024 to 30 June 2025

	Note	Group	Company		
		1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM
Profit/(Loss) for the financial period/year attributed to:					
Owners of the company		2,426,540	599,664	2,166,236	(4,378,980)
Non-controlling interests		267,257	166,464	-	-
		<u>2,693,797</u>	<u>766,128</u>	<u>2,166,236</u>	<u>(4,378,980)</u>
Total comprehensive income/ (loss) for the financial period/ year attributed to:					
Owners of the company		2,288,636	2,190,923	2,166,236	(4,378,980)
Non-controlling interests		267,257	166,464	-	-
		<u>2,555,893</u>	<u>2,357,387</u>	<u>2,166,236</u>	<u>(4,378,980)</u>
Earnings per share					
Basic (sen)	24(a)	0.89	0.23		
Diluted (sen)	24(b)	0.89	0.23		

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

STATEMENT OF CHANGES IN EQUITY

For the financial period from 1 April 2024 to 30 June 2025

Group	Attributable to owner of the parent		Non-Distributable		Distributable		Non-controlling interests	Total equity
	Share capital	Exchange translation reserve	Employees' share option scheme reserve ("ESOS")	Revaluation reserve	(Accumulated losses)/ Retained profits	Total		
	RM	RM	RM	RM	RM	RM	RM	RM
2025								
As at 1 April 2024	11,475,588	753,616	231,093	960,988	(355,428)	13,065,857	153,205	13,219,062
Foreign currency translation differences for foreign operations	-	(137,904)	-	-	-	(137,904)	-	(137,904)
Total other comprehensive loss for the financial period	-	(137,904)	-	-	-	(137,904)	-	(137,904)
Profit for the financial period	-	-	-	-	2,426,540	2,426,540	267,257	2,693,797
Total comprehensive (loss)/income for the financial period	-	(137,904)	-	-	2,426,540	2,288,636	267,257	2,555,893
Subscription of shares in subsidiaries by non-controlling interest	-	-	-	-	-	-	41,112	41,112
Changes in non-controlling interests	-	-	-	-	30,702	30,702	(30,702)	-
Transactions with owners of the Company:								
Allotment of shares	313,107	-	-	-	-	313,107	-	313,107
Share-based payment transactions:								
- Share options exercised	35,766	-	(35,766)	-	-	-	-	-
- Lapsed due to resignation	-	-	(2,027)	-	2,027	-	-	-
Total transactions with owners	348,873	-	(37,793)	-	2,027	313,107	-	313,107
As at 30 June 2025	11,824,461	615,712	193,300	960,988	2,103,841	15,698,302	430,872	16,129,174

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

STATEMENT OF CHANGES IN EQUITY

For the financial period from 1 April 2024 to 30 June 2025

Group	Attributable to owner of the parent									
	Non-Distributable					Distributable				
	Share capital RM	Exchange translation reserve RM	Employees' share option scheme reserve ("ESOS") RM	Revaluation reserve RM	(Accumulated losses)/ Retained profits RM	Total RM	Non-controlling interests RM	Total equity RM		
2024										
As at 1 April 2023										
- As previously reported	30,400,368	123,345	280,043	-	(19,161,615)	11,642,141	(430,132)	11,212,009		
- Prior year adjustment	-	-	-	-	(2,692,542)	(2,692,542)	161,988	(2,530,554)		
	30,400,368	123,345	280,043	-	(21,854,157)	8,949,599	(268,144)	8,681,455		
Foreign currency translation differences for foreign operations										
- As previously reported	-	770,035	-	-	-	770,035	-	770,035		
- Prior year adjustment	-	(139,764)	-	-	-	(139,764)	-	(139,764)		
	-	630,271	-	-	-	630,271	-	630,271		
Gain on revaluation of property, plant and equipment, net of tax	-	-	-	960,988	-	960,988	-	960,988		
Total other comprehensive income for the financial year	-	630,271	-	960,988	-	1,591,259	-	1,591,259		
Profit for the financial year										
- As previously reported	-	-	-	-	251,324	251,324	189,030	440,354		
- Prior year adjustment	-	-	-	-	348,340	348,340	(22,566)	325,774		
	-	-	-	-	599,664	599,664	166,464	766,128		

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

STATEMENT OF CHANGES IN EQUITY

For the financial period from 1 April 2024 to 30 June 2025

Group	Attributable to owner of the parent					
	Non-Distributable			Distributable		
	Share capital RM	Exchange translation reserve RM	Employees' share option scheme reserve ("ESOS") RM	Revaluation reserve RM	(Accumulated losses)/ Retained profits RM	Non-controlling interests RM
2024						
Total comprehensive income for the financial year	-	630,271	-	960,988	599,664	2,190,923
						166,464
						2,357,387
Subscription of shares in subsidiaries by non-controlling interest	-	-	-	-	-	-
- Prior year adjustment	-	-	-	-	-	105,000
Changes in non-controlling interests	-	-	-	-	(149,885)	149,885
- Prior year adjustment	-	-	-	-	-	-
Transactions with owners of the Company:						
Alotment of shares	2,075,220	-	-	-	-	2,075,220
Reduction of share capital	(21,000,000)	-	-	-	21,000,000	-
Share-based payment transactions:						
- Lapsed due to resignation	-	-	(48,950)	-	14,186	(34,764)
- As previously reported	-	-	-	-	34,764	-
- Prior year adjustment	-	-	-	-	-	34,764
Total transactions with owners	(18,924,780)	-	(48,950)	-	21,048,950	2,075,220
						-
As at 31 March 2024	11,475,588	753,616	231,093	960,988	(355,428)	13,065,857
						153,205
						13,219,062

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

STATEMENT OF CHANGES IN EQUITY

For the financial period from 1 April 2024 to 30 June 2025

	Non-distributable			
Company	Share capital RM	Employees' share option scheme reserve ("ESOS") RM	Retained profits/ (Accumulated losses) RM	Total equity RM
2025				
As at 1 April 2024	11,475,588	231,093	77,896	11,784,577
Profit for the financial period, representing total comprehensive income for the financial period	-	-	2,166,236	2,166,236
Transaction with owners of the Company:				
Allotment of shares	313,107	-	-	313,107
Share-based payment transactions:				
- Share options exercised	35,766	(35,766)	-	-
- Lapsed due to resignation	-	(2,027)	2,027	-
Total transactions with owners	348,873	(37,793)	2,027	313,107
As at 30 June 2025	11,824,461	193,300	2,246,159	14,263,920
2024				
As at 1 April 2023	30,400,368	280,043	(16,592,074)	14,088,337
Loss for the financial year,				
- As previously reported	-	-	(597,128)	(597,128)
- Prior year adjustment			(3,781,852)	(3,781,852)
Total comprehensive loss for the financial year	-	-	(4,378,980)	(4,378,980)
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	77,896	11,784,577

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

STATEMENTS OF CASH FLOWS

For the financial period from 1 April 2024 to 30 June 2025

	Group		Company	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM
Cash flows from operating activities				
Profit/(Loss) before tax	3,177,582	987,484	2,166,236	(4,378,980)
Adjustments for :				
Amortisation of intangible assets	2,020	1,616	-	-
Depreciation of :				
Property, plant and equipment	492,090	266,253	278,343	222,675
Dividend income	(120,608)	(44,389)	(120,608)	(44,389)
Property, plant and equipment written off	5	159,117	-	-
Gain on free shares received from a subsidiary	-	-	(40,000)	-
Gain on disposal of an associate	(1,133,753)	-	(1,945,000)	-
Impairment loss on:				
Investment in subsidiaries	-	-	100,000	3,781,852
Trade receivables	240,188	148,561	-	-
Interest expense	7,150	65,545	-	-
Interest income	(42,230)	(31,020)	(35,990)	(61,547)
Inventories written off	34,023	21,782	-	-
Reversal of impairment losses on:				
Investment in subsidiaries	-	-	(660,000)	-
Trade receivables	-	(340,499)	-	-
Share of results of an associate	(265,339)	47,458	-	-
Unrealised loss/(gain) on foreign exchange	2,615	(304)	-	-
Operating profit/(loss) before working capital changes	2,393,743	1,281,604	(257,019)	(480,389)
Changes in working capital:				
Inventories	9,543	219,542	-	-
Trade and other receivables	169,858	(1,069,058)	12,501	1,428
Trade and other payables	(2,005,440)	1,842,368	(4,546)	26,127
Amount due from subsidiaries	-	-	477,936	-
Contract liabilities	(933,146)	357,306	-	-
Cash (used in)/generated from operations	(365,442)	2,631,762	228,872	(452,834)
Dividends received	120,608	44,389	120,608	44,389
Interest paid	(7,150)	(65,545)	-	-
Interest received	42,230	31,020	34,483	29,474
Tax refunded	15,938	35,221	1,000	-
Tax paid	(527,174)	(35,877)	(1,010)	(1,000)
Net cash (used in)/from operating activities	(720,990)	2,640,970	383,953	(379,971)

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

STATEMENTS OF CASH FLOWS

For the financial period from 1 April 2024 to 30 June 2025

	Group		Company	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM
	Note			
Cash flows from investing activities				
Acquisition of shares in subsidiaries	-	-	(140,888)	-
Repayment from subsidiaries	-	-	220,059	446,188
Advance to subsidiaries	-	-	(100,000)	-
Capital contribution to subsidiaries	-	-	(800,000)	-
Interest income from subsidiaries	-	-	1,507	32,073
Placement of fixed deposit pledged	(203,551)	(116,790)	(34,144)	(28,192)
Purchase of property, plant and equipment	(331,437)	(27,078)	-	-
Net cash (used in)/from investing activities	(534,988)	(143,868)	(853,466)	450,069
Cash flows from financing activities				
Proceeds from issuance of shares	313,107	2,075,220	313,107	2,075,220
Subscription of shares in subsidiaries by non-controlling interest	41,112	105,000	-	-
Repayment of trust receipts (Note (ii))	-	(500,789)	-	-
Net cash from financing activities	354,219	1,679,431	313,107	2,075,220
Net (decrease)/increase in cash and cash equivalents	(901,759)	4,176,533	(156,406)	2,145,318
Effect of exchange rate changes on cash and bank balances	(2,615)	304	-	-
Foreign currency translation differences	(149,185)	637,525	-	-
Cash and cash equivalents at beginning of the financial period/year	6,481,191	1,666,829	2,981,580	836,262
Cash and cash equivalents at end of financial period/year (Note (iii))	5,427,632	6,481,191	2,825,174	2,981,580

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

STATEMENTS OF CASH FLOWS

For the financial period from 1 April 2024 to 30 June 2025

Note:

(i) Reconciliation of liabilities arising from financing activities:

	Group		Company	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 RM	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 RM
<u>Trust receipts</u>				
Balance at beginning	-	500,789	-	-
<i>Cash flows:</i>				
Repayment of trust receipts	-	(500,789)	-	-
Balance at end	-	-	-	-

(ii) Cash and cash equivalents are represented by:

	Group		Company	
	30.6.2025 RM	31.3.2024 RM	30.6.2025 RM	31.3.2024 RM
Fixed deposit	1,344,373	1,140,822	1,086,368	1,052,224
Short term investment	2,653,948	2,733,340	2,653,948	2,733,340
Cash on hand and at banks	2,773,684	4,784,471	171,226	248,240
Bank overdraft	-	(1,036,620)	-	-
	6,772,005	7,622,013	3,911,542	4,033,804
Less : Pledged fixed deposit	(1,344,373)	(1,140,822)	(1,086,368)	(1,052,224)
	5,427,632	6,481,191	2,825,174	2,981,580

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

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 George Town, 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 7 to the financial statements.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 28 October 2025.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards issued by the Malaysian Accounting Standards Board ("MASB"), IFRS Accounting Standards issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

New and Revised MFRSs and Amendments/Improvements to MFRSs

(i) Application of Amended Standards

In the current financial period, the Group and the Company have applied several amendments that become effective mandatorily for the financial periods beginning on or after 1 January 2024. The adoption of these amendments does not have significant impact on the disclosures or on the amounts reported in these financial statements.

(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 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 the financial periods beginning on or after 1 January 2025

Amendments to MFRS 121	Lack of Exchangeability
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Effective for the financial periods beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10, and MFRS 107	Annual Improvements to MFRS Accounting Standards – Volume 11
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

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 (Cont'd)

The Group and the Company have not adopted the following new MFRSs and Amendments 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: (Cont'd)

Effective for the financial periods beginning on or after 1 January 2027

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

Effective date to be announced by MASB

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

Business combination (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

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 remeasured. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. 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:

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

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

(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.

(v) Property, plant and equipment carried at revaluation model

Freehold land and office lot held for use in the production or supply of goods or services, or for administrative purposes, are stated at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation, and where applicable, accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the financial period.

Any revaluation surplus is credited to the revaluation reserve in equity, except to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the profit or loss to the extent that it exceeds the surplus, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

(d) Investment property

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.

Club memberships

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(f) 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.

(g) 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.

(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.

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 3(i)(i).

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(h) Financial instruments (Cont'd)

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

Financial assets (Cont'd)

At fair value through other comprehensive income ("FVTOCI") – Equity Instruments

Upon initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative instrument (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in a reserve in equity. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity instruments. Equity instruments designated at FVTOCI are not subject to impairment assessment.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(h) Financial instruments (Cont'd)

(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.

(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 measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in equity instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is transferred to retained earnings.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(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.

Simplified approach- trade receivables

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.

General approach- other financial instruments and financial guarantee contracts

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. 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)

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. 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.

Software installation, commissioning, support and maintenance services

(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.

Revenue from simple, discrete customisations, short-term configuration services or one-off software deliverables that are capable of being used independently by the customer is recognised at the point in time when control transfers to the customer, normally on delivery or on formal customer acceptance. Such items are assessed separately for distinctness and are measured at the transaction price allocated to the distinct deliverable. Costs to fulfil short-term customisations are expensed as incurred unless they meet the criteria for capitalisation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

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

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

Software installation, commissioning, support and maintenance services (Cont'd)

(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.

Solar panel installation, operation and maintenance services

(a) *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.

For commercial customers, 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. For residential customers, revenue is recognised at point in time when control transfers to the customer upon the completion of the installation of solar panel. Payment is generally due within 30 to 60 days from invoice date.

(b) *Operation and maintenance ("O&M")*

The O&M is a distinct service to the customer in addition to the assurance that the product complies with agreed-upon specifications. Under MFRS 15, the Group accounts for a service-type warranty as a separate performance obligation to which the Group allocates a portion of the transaction price. The portion of the consideration allocated to the service-type warranty is initially recorded as a contract liability and recognised as revenue over the period the warranty services are provided.

In addition to O&M services included within EPCC contracts, the Group also provides O&M services on ad hoc basis to existing and new customers.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

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

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

Other related services

Revenue from provision of other services related to the abovementioned revenues comprise sale of hardware 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 assets and liabilities

A contract asset is recognised when the Group has performed under the contract but has not billed the customer. Conversely, a contract liability is recognised when the Group has not performed under the contract but have billed or received advance payment from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Costs to fulfil a contract (Contract costs)

The incremental costs that the Group incurs to fulfil a contract with a customer for solar panel installation are costs it would not have incurred if the contract had not been obtained. These costs are recognised as contract cost assets when the Group expects them to be recoverable.

Contract costs are amortised in line with revenue recognition, measured by progress towards complete satisfaction of the related purchase order. For contract costs with an amortisation period shorter than one year, the Group applies the practical expedient to expense them immediately when incurred. Amortisation of contract costs is presented within cost of sales in profit or loss, classified according to the nature of the underlying costs rather than 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. 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 period 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(m) Employee benefits (Cont'd)

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

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(p) Leases

As a lessee

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.

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".

(q) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. MATERIAL ACCOUNTING POLICIES (Cont'd)

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

3. 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.

4. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATIONS

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

4. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATIONS (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 period are set out below.

(i) 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. The carrying amount of goodwill is disclosed in Note 10 to the financial statements.

(ii) Impairment of financial assets (trade receivables)

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. The carrying amount of trade receivables is disclosed in Note 12 to the financial statements.

(iii) Fair value of an equity instrument

Determining the fair value of unquoted equity instruments requires significant judgment and estimation due to the lack of observable market prices or active market data. The Group and the Company apply a cost-based valuation approach, adjusted to reflect the investee's net asset position at the reporting date. This method takes into account factors such as the most recent financial statements of the investee, adjustments to net assets to reflect the fair value of material assets and liabilities where applicable, the investee's operational and financial performance, and any significant events or changes in the economic environment that affect the investee. Given the inherent subjectivity and estimation uncertainty in these inputs, changes in assumptions could materially impact the fair value of the instruments. The carrying amount of the equity instrument is disclosed in Note 9 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

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
30.6.2025							
At Valuation/Cost							
Balance at beginning	2,000,000	415,164	758,258	520,964	4,422,055	-	8,116,441
Addition	-	-	306,490	24,947	-	-	331,437
Written off	-	-	(7,442)	(54,411)	-	-	(61,853)
Balance at end	2,000,000	415,164	1,057,306	491,500	4,422,055	-	8,386,025
Accumulated depreciation							
Balance at beginning	-	415,162	750,775	497,861	2,266,302	-	3,930,100
Current charge	-	-	199,036	16,676	276,378	-	492,090
Written off	-	-	(7,441)	(54,407)	-	-	(61,848)
Balance at end	-	415,162	942,370	460,130	2,542,680	-	4,360,342
Carrying amount	2,000,000	2	114,936	31,370	1,879,375	-	4,025,683
31.3.2024							
At Valuation/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

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company

	Computer equipment RM	Furniture and fittings RM	Renovation RM	Total RM
30.6.2025				
At Cost				
Balance at beginning/end	27,917	90,351	4,422,054	4,540,322
Accumulated depreciation				
Balance at beginning	27,916	85,632	2,266,304	2,379,852
Current charge	-	1,965	276,378	278,343
Balance at end	27,916	87,597	2,542,682	2,658,195
Carrying amount	1	2,754	1,879,372	1,882,127
31.3.2024				
At Cost				
Balance at beginning/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

- 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 20 to the financial statements.
- The Group's motor vehicle with a carrying amount of RM2 (31.3.2024: RM2) is registered in the name of a Director, held in trust for the Group.
- The Group's freehold land and office lot 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.

Freehold land and office lot 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 freehold land and office lot by obtaining market value of the comparable properties as at 30 June 2025 and 31 March 2024, based on the assessment, the existing book values of the freehold land and office lot as at 30 June 2025 and 31 March 2024 were not materially different from the assessment performed.

The fair value of the freehold land and office lot are categorised at Level 3 of the fair value hierarchy.

Had the freehold land and office lot been measured at historical cost basis, their carrying amount would have been RM927,217 (31.3.2024: RM923,233).

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

6. INVESTMENT PROPERTY

	Group	
	30.6.2025 RM	31.3.2024 RM

At valuation

Balance at beginning/end	<u>750,000</u>	<u>750,000</u>
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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 30 June 2025 and 31 March 2024 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.

The following are the operating income and expenses in respect of the investment property:

	Group	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 RM
Rental income	34,200	26,400
Direct operating expense (income generating)	<u>(8,867)</u>	<u>(6,041)</u>

The fair value of the investment property is categorised at Level 3 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

7. INVESTMENT IN SUBSIDIARIES

	Company	
	30.6.2025 RM	31.3.2024 (Restated) RM
Unquoted shares, at cost		
Balance at beginning	7,882,411	9,196,815
Addition	180,888	-
Written off	-	(1,314,404)
Balance at end	8,063,299	7,882,411
Capital contribution to subsidiaries		
Balance at beginning	9,834,852	10,362,800
Addition	800,000	-
Repayment	(140,059)	(527,948)
Balance at end	10,494,793	9,834,852
	18,558,092	17,717,263
Accumulated impairment loss		
Balance at beginning	14,116,460	11,649,012
Addition	100,000	3,781,852
Reversal	(660,000)	-
Written off	-	(1,314,404)
Balance at end	13,556,460	14,116,460
	5,001,632	3,600,803

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries are as follows:

Name	Principal place of business and place of incorporation	Proportion of ownership interest held by the Company		Principal activities
		2025 %	2024 %	
Ygl Convergence Malaysia Sdn. Bhd.	Malaysia	100	100	Marketing and distribution of computer software and hardware & the provision of professional services.
Ygl Multimedia Resources Sdn. Bhd.	Malaysia	100	100	Developing and selling of software systems.
Ygl Convergence (HK) Limited ¹	Hong Kong	100	100	Trading of computer equipment and software and provision of related services.
Ygl Technologies Sdn. Bhd.	Malaysia	55	55	Provision of computer, automation solution and electronic commerce services.
Ygl Technologies Pte. Ltd. ¹	Singapore	100	100	Provision of software and related services.
Ns Infotech Sdn. Bhd.	Malaysia	80	80	Provision of computer consultancy and computer programming services. The company has not commenced operations since its incorporation.
Ygl Intelligent Technology Sdn. Bhd.	Malaysia	100	100	Provision of software consultancy and implementation services.
Ai Solar Sdn. Bhd.	Malaysia	80	75	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.
Ygl Haltech Sdn. Bhd.	Malaysia	76	-	Provision of computer consultancy and computer programming services. The company has not commenced operations since its incorporation.

¹ Not audited by Forvis Mazars PLT.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

(b) Incorporation of YGL Haltech Sdn. Bhd.

On 18 April 2025, the Group incorporated a subsidiary, YGL Haltech Sdn. Bhd. in Malaysia with an issued paid-up capital of RM1,000. The Group holds 76% equity interest while the remaining 24% is held by minority shareholders.

(c) Non-controlling interests ("NCI")

The subsidiary of the Group, namely Ai Solar Sdn. Bhd. ("Ai Solar") has material NCI as follows:

	30.6.2025	31.3.2024 (Restated)
NCI percentage of ownership and voting interest	20%	25%
Carrying amount of NCI (RM)	434,515	151,142
Profit allocated to NCI (RM)	274,601	174,802
Total comprehensive income allocated to NCI (RM)	<u>274,601</u>	<u>174,802</u>

The summarised financial information before intragroup elimination are as follows:

	30.6.2025 RM	31.3.2024 (Restated) RM
<u>Asset and liabilities:</u>		
Non-current assets	22,975	6,994
Current assets	3,458,167	5,076,467
Non-current liabilities	(35,780)	(24,498)
Current liabilities	<u>(1,272,786)</u>	<u>(4,454,394)</u>
Net assets	<u>2,172,576</u>	<u>604,569</u>

	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM
<u>Results:</u>		
Revenue	9,335,881	5,162,894
Net profit for the financial period/year	1,373,006	699,209
Total comprehensive income for the financial period/year	<u>1,373,006</u>	<u>699,209</u>

Cash flows:

Net cash generated (used in)/from:

Operating activities	(586,354)	3,011,131
Investing activities	(27,996)	(2,342)
Financing activities	<u>(284,385)</u>	<u>(1,161,895)</u>
Net (decrease)/increase in cash and bank balances	<u>(898,735)</u>	<u>1,846,894</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

(d) Additional subscription in a subsidiary

The Company and its subsidiary, Ygl Convergence Malaysia Sdn. Bhd., subscribed for 140,128 and 14,000 new ordinary shares, respectively, in Al Solar Sdn. Bhd. The subscriptions did not change the Group's ownership percentage in Al Solar Sdn. Bhd. Separately, the Company received 40,000 ordinary shares from a minority shareholder at no consideration, which increased the Group's ownership interest in Al Solar Sdn. Bhd. from 75% to 80%. The transfer was accounted for as an equity transaction; no gain or loss was recognised in profit or loss and the carrying amounts of the parent's interest and non-controlling interest were adjusted to reflect the revised ownership percentages. The above transaction did not have material impact on the Group for the financial period ended 30 June 2025.

(e) Impairment loss

The Company reviewed the recoverable amounts of its investments in subsidiaries that are loss-making and have significant accumulated losses. An impairment loss of RM100,000 (2024: RM3,781,852) was recognised in the Company's profit or loss because the recoverable amounts, determined on the basis of fair value less costs of disposal, were lower than the carrying amounts. During the financial period, the Company reversed impairment losses of RM660,000 following management's reassessment of the recoverable amounts of certain subsidiaries; the reversal was recognised in profit or loss.

(f) Strike off of Ygl Convergence (Asia Pacific) Pte.Ltd.

In the previous 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.

8. INVESTMENT IN AN ASSOCIATE

	Group	
	30.6.2025 RM	31.3.2024 RM
Unquoted shares, at cost	1,475,000	1,475,000
Share of post acquisition result	811,247	545,908
Gain on disposal of an associate	1,133,753	-
	3,420,000	2,020,908
Reclassification to investment in an equity instrument (Note 9)	(3,420,000)	-
	-	2,020,908

	Company	
	30.6.2025 RM	31.3.2024 RM
Unquoted shares, at cost	1,475,000	1,475,000
Gain on disposal of an associate recognised in profit or loss	1,945,000	-
	3,420,000	1,475,000
Reclassification to investment in an equity instrument (Note 9)	(3,420,000)	-
	-	1,475,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

8. INVESTMENT IN AN ASSOCIATE (Cont'd)

On 8 May 2025, the Group and the Company ceased to have significant influence over YGL iBay International Sdn. Bhd. ("YGL iBay") as it no longer had representation on the investee's board.

In the Group's financial statements, the investment in YGL iBay was previously measured under equity method. The Group recognised the retained equity interest to fair value of RM3,420,000. The difference between the carrying amount of the associate and the fair value of the retained interest of RM1,133,753 is recognised as gain on disposal of associate in profit or loss.

In the Company's separate financial statements, the investment in YGL iBay was previously measured at cost. The Company recognised the retained equity interest at fair value of RM3,420,000. The difference between the carrying amount of the associate and the fair value of the retained interest of RM1,945,000 is recognised as gain on disposal of associate in profit or loss.

The retained equity interest has been classified as a financial asset – equity instruments measured at FVTOCI under MFRS 9 and presented as a non-current asset in the statement of financial position because the Group does not intend to dispose the investment within 12 months of the reporting date.

Details of the associate are as follows:

Name	Principal place of business and place of incorporation	Proportion of ownership interest held by the Company		Principal activities
		2025 %	2024 %	
YGL iBay International Sdn. Bhd.	Malaysia	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 former associate was on 31 December. For the previous financial year, the former associate prepared financial statements to 31 March to enable the application of the equity method and the Group made appropriate adjustments for material transactions between the associate's financial year end to 31 March. During the current financial period, the Group lost significant influence on the associate on 8 May 2025. The equity method was applied up to 8 May 2025.

The Group does not have any share of the former 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 former associate.

The summarised financial information of the associate are as follows:

	8.5.2025 RM	31.3.2024 RM
<u>Assets and liabilities</u>		
Non-current assets	17,200,942	17,426,033
Current assets	62,953,096	54,109,362
Non-current liabilities	(93,639)	(145,626)
Current liabilities	(59,725,874)	(54,000,552)
Net assets	<u>20,334,525</u>	<u>17,389,217</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

8. INVESTMENT IN AN ASSOCIATE (Cont'd)

The summarised financial information of the associate are as follows: (Cont'd)

	1.4.2024 to 8.5.2025 RM	1.4.2023 to 31.3.2024 RM
Results for the financial period/year		
Revenue	372,795,894	189,781,157
Profit/(Loss) for the financial period/year	2,763,950	(494,209)
Total comprehensive income/(loss) for the financial period/year	<u>2,763,950</u>	<u>(2,017,263)</u>

9. INVESTMENT IN AN EQUITY INSTRUMENT

	Group/Company	
	30.6.2025 RM	31.3.2024 RM
Equity instrument at FVTOCI - Unquoted Shares (Note 8)	<u>3,420,000</u>	<u>-</u>

These investments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Group and the Company have elected to designate these investments in equity instruments at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's and the Company's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The directors are of the view that there were no significant events or market movements between the date on which significant influence was lost and the reporting date that would materially affect the fair value. Accordingly, the fair value at the date of loss of significant influence is deemed to approximate the fair value at the reporting date and no separate remeasurement at the reporting date has been performed.

10. INTANGIBLE ASSETS

Group

	Software development cost (Restated) RM	Goodwill RM	Club memberships RM	Total (Restated) RM
30.6.2025				
At cost				
Balance at beginning/end	<u>-</u>	<u>1,319,283</u>	<u>50,000</u>	<u>1,369,283</u>
Accumulated depreciation				
Balance at beginning	-	-	19,804	19,804
Current charge	-	-	2,020	2,020
Balance at end	<u>-</u>	<u>-</u>	<u>21,824</u>	<u>21,824</u>
Accumulated impairment loss				
Balance at beginning/end	<u>-</u>	<u>1,234,146</u>	<u>2,000</u>	<u>1,236,146</u>
Carrying amount	<u>-</u>	<u>85,137</u>	<u>26,176</u>	<u>111,313</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

10. INTANGIBLE ASSETS (Cont'd)**Group (Cont'd)**

	Software development cost (Restated) RM	Goodwill RM	Club memberships RM	Total (Restated) RM
31.3.2024				
At cost				
Balance at beginning				
As previously stated	24,065,132	1,319,283	50,000	25,434,415
Prior year adjustment	(24,065,132)	-	-	(24,065,132)
As restated	-	1,319,283	50,000	1,369,283
Additions				
As previously stated	830,076	-	-	830,076
Prior year adjustment	(830,076)	-	-	(830,076)
As restated	-	-	-	-
Balance at end	-	1,319,283	50,000	1,369,283
Accumulated depreciation				
Balance at beginning				
As previously stated	21,697,771	-	18,188	21,715,959
Prior year adjustment	(21,697,771)	-	-	(21,697,771)
As restated	-	-	18,188	18,188
Current charge				
As previously stated	1,183,111	-	1,616	1,184,727
Prior year adjustment	(1,183,111)	-	-	(1,183,111)
As restated	-	-	1,616	1,616
Balance at end	-	-	19,804	19,804
Accumulated impairment loss				
Balance at beginning/end	-	1,234,146	2,000	1,236,146
Carrying amount				
As previously stated	2,014,326	85,137	28,196	2,127,659
Prior year adjustment	(2,014,326)	-	-	(2,014,326)
As restated	-	85,137	28,196	113,333
1.4.2023				
Carrying amount				
As previously stated	2,367,361	85,137	29,812	2,482,310
Prior year adjustment	(2,367,361)	-	-	(2,367,361)
As restated	-	85,137	29,812	114,949

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

10. INTANGIBLE ASSETS (Cont'd)

(a) 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 30 June 2025 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 period and previous financial year were derived 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 and expectation of market development in the respective industries.

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% (31.3.2024: 9.95%) 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 financial period and previous financial year. As a result of the analysis, management did not identify additional impairment for the CGUs. Accordingly, no detailed quantitative sensitivity analysis is being presented.

(b) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

11. INVENTORIES

Inventories comprise purchased materials for its provision of solar panel installation services and are stated at cost.

The amounts recognised in profit or loss are as follows:

	Group	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 RM
Cost of inventories recognised as cost of sales	5,161,704	3,753,900
Inventories written off	34,023	21,782
Inventories recognised as expenses (included in cost of sales)	<u>5,195,727</u>	<u>3,775,682</u>

12. TRADE AND OTHER RECEIVABLES

	Note	Group	
		30.6.2025 RM	31.3.2024 RM
Trade	(a)		
Gross amount		3,268,881	2,340,569
Allowance for impairment loss		<u>(496,429)</u>	<u>(256,241)</u>
Trade receivables, net		<u>2,772,452</u>	<u>2,084,328</u>
Non-trade			
Third parties		36,086	32,449
Related parties	(b)	19,319	8,488
Refundable deposits		63,996	57,063
Prepayment		96,014	50,825
Contract costs		<u>459,643</u>	<u>1,633,981</u>
		<u>675,058</u>	<u>1,782,806</u>
		<u>3,447,510</u>	<u>3,867,134</u>

	Note	Company	
		30.6.2025 RM	31.3.2024 RM
Non-trade			
Related parties	(b)	-	3,928
Refundable deposits		-	10,000
Prepayment		<u>2,504</u>	<u>1,077</u>
		<u>2,504</u>	<u>15,005</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

12. TRADE AND OTHER RECEIVABLES (Cont'd)

- (a) Trade receivables are non-interest bearing and are generally on 30 to 90 days credit terms (31.3.2024: 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 period/year were:

	Group	
	30.6.2025 RM	31.3.2024 RM
Balance at beginning	256,241	690,682
Additions	240,188	148,561
Reversal	-	(340,499)
Written off	-	(242,503)
Balance at end	<u>496,429</u>	<u>256,241</u>

- (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 (31.3.2024: 30 days).

13. AMOUNT DUE FROM SUBSIDIARIES

	Company	
	30.6.2025 RM	31.3.2024 RM
Interest bearing at 7.15% per annum	-	480,067
Non-interest bearing	<u>53,403</u>	<u>31,272</u>
	<u>53,403</u>	<u>511,339</u>

These amounts are non-trade in nature, unsecured and repayable on demand.

14. CASH AND BANK BALANCES

	Group	
	30.6.2025 RM	31.3.2024 RM
Fixed deposit	1,344,373	1,140,823
Short term investment	2,653,948	2,733,340
Cash on hand and at banks	<u>2,773,684</u>	<u>4,784,470</u>
	<u>6,772,005</u>	<u>8,658,633</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

14. CASH AND BANK BALANCES (Cont'd)

	Company	
	30.6.2025 RM	31.3.2024 RM
Fixed deposit	1,086,368	1,052,224
Short term investment	2,653,948	2,733,340
Cash on hand and at banks	<u>171,226</u>	<u>248,240</u>
	<u>3,911,542</u>	<u>4,033,804</u>

The Group's fixed deposit with a licensed bank is pledged as security for banking facilities granted to a subsidiary as disclosed in Note 20 to the financial statements. The effective interest rate of the fixed deposit is from the range of 2.20% to 2.75% (31.3.2024: 2.50% to 2.75%) 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.

15. SHARE CAPITAL

Group/Company	Number of shares	
	30.6.2025 Unit	31.3.2024 Unit
Issued and fully paid ordinary shares (no par value):		
Balance at beginning	271,714,540	255,514,540
Allotment of shares	<u>2,002,349</u>	<u>16,200,000</u>
Balance at end	<u>273,716,889</u>	<u>271,714,540</u>

	Amount	
	30.6.2025 RM	31.3.2024 RM
Issued and fully paid ordinary shares (no par value):		
Balance at beginning	11,475,588	30,400,368
Allotment of shares	348,873	2,075,220
Reduction of share capital	<u>-</u>	<u>(21,000,000)</u>
Balance at end	<u>11,824,461</u>	<u>11,475,588</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

15. SHARE CAPITAL (Cont'd)

During the financial period, the Company:

- (a) issued 932,349 new ordinary shares at a price of RM0.15 per ordinary share pursuant to the private placement for working capital purposes; and
- (b) issued 800,000 new ordinary shares at a price of RM0.16 per ordinary share pursuant to the private placement for working capital purposes; and
- (c) issued 170,000 new ordinary shares at a price of RM0.16 per ordinary share pursuant to the exercise of share options under the ESOS; and
- (d) issued 100,000 new ordinary shares at a price of RM0.19 per ordinary share pursuant to the exercise of share options under the ESOS.

The new ordinary shares issued rank pari passu in all respects with the then existing ordinary shares of the Company. The holders of ordinary shares are entitled to receive dividends as declared from time to time by the Company and all ordinary shares are entitled to one vote per share at meetings of the Company.

In the previous financial year, the shareholders of the Company passed a special resolution to reduce the issued share capital of the Company by way of cancellation of paid-up share capital of RM21 million pursuant to Section 117 of Companies Act 2016. The capital reduction was undertaken with the objective of eliminating the accumulated losses of the Company by setting off the cancelled share capital against such losses. The credit arising from the capital reduction was utilised to fully set off the accumulated losses of the Company. The capital reduction was duly approved by the Board of Directors and the shareholders through the special resolution, and all necessary filings in relation to the capital reduction have been made with the Companies Commission of Malaysia in compliance with the Companies Act 2016.

16. OTHER RESERVES

		Group	
	Note	30.6.2025 RM	31.3.2024 (Restated) RM
Non-distributable reserve			
Exchange translation reserve	(a)	615,712	753,616
ESOS reserve	(b)	193,300	231,093
Revaluation reserve	(c)	960,988	960,988
		<u>1,770,000</u>	<u>1,945,697</u>

		Company	
	Note	30.6.2025 RM	31.3.2024 RM
Non-distributable reserve			
Exchange translation reserve	(a)	-	-
ESOS reserve	(b)	193,300	231,093
Revaluation reserve	(c)	-	-
		<u>193,300</u>	<u>231,093</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

16. OTHER RESERVES (Cont'd)**(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

16. OTHER RESERVES (Cont'd)

(b) ESOS reserve (Cont'd)

Movement of share options during the financial period

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial period:

	30.6.2025		31.3.2024	
	Number of share option unit	WAEP RM	Number of share option unit	WAEP RM

Batch 1

Grant date	6 November 2017		6 November 2017	
Balance at beginning	1,597,000	0.16	1,932,000	0.16
Lapsed due to resignation	-	0.16	(335,000)	0.16
Exercised	<u>(170,000)</u>	0.16	<u>-</u>	0.16
Balance at end	<u>1,427,000</u>	0.16	<u>1,597,000</u>	0.16

	30.6.2025		31.3.2024	
	Number of share option unit	WAEP RM	Number of share option unit	WAEP RM

Batch 2

Grant date	21 April 2021		21 April 2021	
Balance at beginning	150,000	0.19	185,000	0.19
Lapsed due to resignation	(15,000)	0.19	(35,000)	0.19
Exercised	<u>(100,000)</u>	0.19	<u>-</u>	0.19
Balance at end	<u>35,000</u>	0.19	<u>150,000</u>	0.19

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

16. OTHER RESERVES (Cont'd)

(b) ESOS reserve (Cont'd)

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	21.4.2021
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)	5.00	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.

(c) Revaluation reserve

Revaluation reserve consist of surplus from revaluation of properties in subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

17. DEFERRED TAX LIABILITIES

	Group	
	30.6.2025 RM	31.3.2024 RM
Balance at beginning	106,776	-
Transferred from other comprehensive income	-	106,776
Balance at end	106,776	106,776

The balance in deferred tax liabilities is made up of temporary differences arising from the revaluation of freehold land and office lot.

18. CONTRACT LIABILITIES

	Group		
	30.6.2025 RM	31.3.2024 (Restated) RM	1.4.2023 (Restated) RM
Current			
- software installation, commissioning, post-contract support and maintenance services	974,686	964,535	1,523,541
- solar panel installation, operation and maintenance services	107,085	1,072,370	152,156
	1,081,771	2,036,905	1,675,697
Non-current			
- solar panel installation, operation and maintenance services	35,780	24,498	17,782
	1,117,551	2,061,403	1,693,479

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

18. CONTRACT LIABILITIES (Cont'd)

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 the periods as follows:

	30.6.2025 RM	Group 31.3.2024 (Restated) RM	31.3.2023 (Restated) RM
Within one year	107,085	1,072,370	152,156
One year to five years	35,780	24,498	17,782
	<u>142,865</u>	<u>1,096,868</u>	<u>169,938</u>

The movements in contract liabilities are as follows:

	Group 30.6.2025 RM	31.3.2024 (Restated) RM
Balance at beginning	2,061,403	1,693,479
Consideration received	9,413,853	7,391,775
Revenue recognised	<u>(10,357,705)</u>	<u>(7,023,851)</u>
Balance at end	<u>1,117,551</u>	<u>2,061,403</u>

19. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	30.6.2025 RM	31.3.2024 RM	30.6.2025 RM	31.3.2024 RM
Trade					
Third parties	(a)	<u>883,971</u>	<u>2,745,639</u>	<u>-</u>	<u>-</u>
Non-trade					
Third parties		185,890	204,251	7,193	2,948
Accruals		448,778	248,995	68,000	76,791
Director	(b)	200,000	492,096	-	-
Refundable deposits	(c)	<u>50,410</u>	<u>93,661</u>	<u>-</u>	<u>-</u>
		<u>885,078</u>	<u>1,039,003</u>	<u>75,193</u>	<u>79,739</u>
		<u>1,769,049</u>	<u>3,784,642</u>	<u>75,193</u>	<u>79,739</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

19. TRADE AND OTHER PAYABLES (Cont'd)

- (a) The normal trade credit term granted to the Group range from 30 to 90 days (31.3.2024:30 to 90 days) depending on the terms of the contracts.
- (b) The amount is unsecured, non-interest bearing and is repayable on demand.
- (c) 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.

20. BANK BORROWINGS

	Group	
	30.6.2025 RM	31.3.2024 RM
Secured		
Bank overdraft	-	1,036,620

The effective interest rates per annum of the borrowings as at the end of the reporting period are as follows:

	Group	
	30.6.2025 %	31.3.2024 %
Secured		
Bank overdraft	10.40	10.40

The borrowings were 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 14).

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

21. REVENUE

	Group	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM

Software implementation services:

- Consultancy services and sale of hardware	271,389	163,024
- Software installation, commissioning, post-contract support and maintenance services	6,423,494	5,678,603

Solar panel installation, operation and maintenance services	9,335,881	5,162,894
	<u>16,030,764</u>	<u>11,004,521</u>

	Company	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 RM

Management fees	<u>10,000</u>	<u>10,000</u>
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Disaggregation of revenue

	Group	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM

Primary geographical markets

- Malaysia	14,599,667	9,191,941
- Hong Kong	1,431,097	1,812,580
	<u>16,030,764</u>	<u>11,004,521</u>

Timing of recognition

At a point in time	6,554,822	1,293,732
Over time	9,475,942	9,710,789
	<u>16,030,764</u>	<u>11,004,521</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

21. REVENUE (Cont'd)

	Company	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 RM
Primary geographical markets		
- Malaysia	<u>10,000</u>	<u>10,000</u>
Timing of recognition		
Over time	<u>10,000</u>	<u>10,000</u>

Revenue expected to be recognised in the future, related to the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the reporting date:

	Group	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM
<i>Within one year</i>		
- Software installation, commissioning, post-contract support and maintenance services	1,670,800	2,507,815
- Solar panel installation, operation and maintenance services	<u>1,420,071</u>	<u>4,951,576</u>
<i>One year to five years</i>		
- Solar panel installation, operation and maintenance services	<u>35,780</u>	<u>24,498</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

22. PROFIT/(LOSS) BEFORE TAX

This arrived at after charging/(crediting):

	Note	Group		Company	
		1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM
Amortisation of intangible assets		2,020	1,616	-	-
Auditors' remuneration:					
- Forvis Mazars PLT					
- Statutory audit		192,000	-	60,000	-
- Assurance and related services		8,000	-	8,000	-
- Other auditors					
- Statutory audit		39,041	130,065	-	41,000
- Assurance and related services		-	5,000	-	-
Depreciation:					
- property, plant and equipment		492,090	266,253	278,343	222,675
Directors' remuneration	(a)	748,803	408,750	100,000	80,000
Dividend income					
- short term investment		(120,608)	(44,389)	(120,608)	(44,389)
Employee benefits expenses	(b)	5,380,857	4,089,374	-	-
Expenses related to leases as a lessee:					
- Total cash outflows					
- leases of low value assets		8,349	6,849	-	-
- short term leases		146,635	116,692	-	-
Gain on free shares received from a subsidiary		-	-	(40,000)	-
Gain on disposal of an associate		(1,133,753)	-	(1,945,000)	-
Government grant received	(c)	(835,035)	(163,530)	-	-
Impairment losses:					
- investment in subsidiaries		-	-	100,000	3,781,852
- trade receivables		240,188	148,561	-	-
Interest expenses:					
- bank overdraft		7,150	65,545	-	-
Interest income:					
- amount due from subsidiaries		-	-	(1,507)	(32,073)
- others		(42,230)	(31,020)	(34,483)	(29,474)
Realised loss/(gain) on foreign exchange		43,221	(17,281)	-	(4)
Rental income:					
- investment property		(34,200)	(26,400)	-	-
- others		(57,400)	(45,600)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

22. PROFIT/(LOSS) BEFORE TAX (Cont'd)

This arrived at after charging/(crediting): (Cont'd)

	Note	Group		Company	
		1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM
Reversal of impairment loss:					
- trade receivables		-	(340,499)	-	-
- investment in subsidiaries		-	-	(660,000)	-
Written off:					
- property, plant and equipment		5	159,117	-	-
Unrealised loss/(gain) on foreign exchange		2,615	(304)	-	-

(a) Directors' remuneration

	Group	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 RM
Directors of the company		
Fee	100,000	98,000
Salary, bonus and other emoluments	430,392	287,500
Contribution to defined contribution plan	33,484	23,250
	<u>563,876</u>	<u>408,750</u>
Directors of a subsidiary		
Fee	60,000	-
Salary, bonus and other emoluments	114,496	-
Contribution to defined contribution plan	10,431	-
	<u>184,927</u>	<u>-</u>
	<u>748,803</u>	<u>408,750</u>

	Company	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 RM
Directors of the company		
Fee	<u>100,000</u>	<u>80,000</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

22. PROFIT/(LOSS) BEFORE TAX (Cont'd)

This arrived at after charging/(crediting): (Cont'd)

(b) Employee benefit expenses

	Group	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM
Salary, allowances and bonus	4,693,641	3,595,524
Contributions to defined contribution plan	509,325	384,011
Other staff related benefits	177,891	109,839
	<u>5,380,857</u>	<u>4,089,374</u>

(c) Government grant received

The Group was awarded the Malaysia Digital Catalyst Grant ("MDCG") by Malaysia Digital Economy Corporation Sdn. Bhd. ("MDEC") to reimburse expenses for developing the Smart Halal Monitoring System. The project ran from 1 October 2023 to 30 September 2024.

23. TAX EXPENSE**(a) Major components of tax expenses**

	Group		Company	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 RM	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 RM
<u>Malaysian income tax:</u>				
Income tax				
- Current year	(495,512)	(223,698)	-	-
- Over provision in prior year	11,727	2,342	-	-
	<u>(483,785)</u>	<u>(221,356)</u>	<u>-</u>	<u>-</u>

Domestic income tax is calculated at the Malaysian statutory rate of 24% (31.3.2024: 24%) of the estimated assessable profit or loss for the financial period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

23. TAX EXPENSE (Cont'd)

(b) *Relationship between tax expenses and accounting profit/(loss)*

Reconciliation between income tax expenses and the product of accounting profit/(loss) multiplied by the statutory tax rate is as follows:

	Group		Company	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM
Profit/(Loss) before tax	3,177,582	987,484	2,166,236	(4,378,980)
Income tax at Malaysian statutory tax rate of 24%	762,620	236,996	519,897	(1,050,955)
Tax effects on share of results of associates	-	(11,390)	-	-
Non-taxable income	(674,938)	(97,771)	(654,146)	(10,653)
Expenses not deductible for tax purposes	545,296	222,875	134,249	1,061,608
Changes in deferred tax assets not recognised	(137,466)	(127,012)	-	-
Over provision in prior year	(11,727)	(2,342)	-	-
	<u>483,785</u>	<u>221,356</u>	<u>-</u>	<u>-</u>

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	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 RM
Property, plant and equipment	27,559	33,059	-	-
Unutilised tax losses	(8,346,876)	(8,437,684)	-	-
Unutilised capital allowances	-	(135,518)	-	-
Unutilised pioneer losses	(2,126,762)	(2,934,418)	-	-
Contract liabilities	(1,350,279)	(1,134,761)	-	-
Loss allowances of trade receivables	(496,429)	(256,241)	-	-
	<u>(12,292,787)</u>	<u>(12,865,563)</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

23. TAX EXPENSE (Cont'd)**(b) Relationship between tax expenses and accounting profit/(loss) (Cont'd)**

Subsidiaries have 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. Unutilised pioneer losses will expire as follows:

	Group		Company	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM
Expire in 2026	1,999,896	2,041,073	-	-
Expire in 2027	-	285,703	-	-
Expire in 2028	-	236,727	-	-
Expire in 2032	126,866	370,915	-	-
	<u>2,126,762</u>	<u>2,934,418</u>	<u>-</u>	<u>-</u>

Pursuant to the applicable tax legislation, unutilised tax losses will expire as follows:

	Group		Company	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 RM
Expire in 2028	6,639,195	6,639,195	-	-
Expire in 2029	323,751	323,751	-	-
Expire in 2030	170,552	170,552	-	-
Expire in 2031	204,540	204,540	-	-
Expire in 2032	98,986	98,986	-	-
Expire in 2033	462,217	462,217	-	-
Expire in 2034	428,423	538,443	-	-
Expire in 2035	19,212	-	-	-
	<u>8,346,876</u>	<u>8,437,684</u>	<u>-</u>	<u>-</u>

Pillar Two Income Tax

The Finance (No. 2) Act 2023 gazetted on 29 December 2023, introduced domestic top-up tax and multinational top-up tax (the "Pillar Two Global Minimum Tax") effective for financial period beginning on or after 1 January 2025. Subsequently, the Finance Act 2024 gazetted on 31 December 2024, introduced further improvements to the legislation on Pillar Two Global Minimum Tax including the adoption of new measures under the Global Anti-Base Erosion Model Rules. The Group and the Company is in the process of assessing its exposure to the Pillar Two Global Minimum Tax when it comes into effect.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

24. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated profit for the financial period attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial period as follows:

	Group	
	30.6.2025 RM	31.3.2024 (Restated) RM
Profit after tax attributable to the owners of the Company (RM)	<u>2,426,540</u>	<u>599,664</u>
Weighted average number of ordinary shares	<u>273,306,573</u>	<u>261,437,121</u>
Basic earnings per share (sen)	<u>0.89</u>	<u>0.23</u>

(b) Diluted earnings per share

The Group has no dilution in their earnings 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 period and before the authorisation of these financial statements.

	Group	
	30.6.2025 RM	31.3.2024 (Restated) RM
Profit after tax attributable to the owners of the Company (RM)	<u>2,426,540</u>	<u>599,664</u>
Weighted average number of ordinary shares	<u>273,306,573</u>	<u>261,437,121</u>
Diluted earnings per share (sen)	<u>0.89</u>	<u>0.23</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

25. 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 that 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. |
| (iii) Investment holding | Provision of management services to companies within the Group, as well as holding of investments in the shares of subsidiaries and other investments. |

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

25. SEGMENT INFORMATION (Cont'd)

30.6.2025 Group	Software implementation RM	Solar panel installation RM	Investment holding RM	Inter-group Elimination RM	Total RM
Revenue					
External revenue	6,694,883	9,335,881	-	-	16,030,764
Inter-segment revenue	35,600	-	10,000	(45,600)	-
Total revenue	6,730,483	9,335,881	10,000	(45,600)	16,030,764
Results					
Segment results	404,511	1,813,653	2,130,246	(1,471,247)	2,877,163
Share of results of an associate	-	-	265,339	-	265,339
Interest income					42,230
Interest expense					(7,150)
Profit before tax					3,177,582
Tax expense					(483,785)
Profit for the financial period					2,693,797
Assets					
Segment assets	8,711,749	3,481,141	14,271,208	(7,408,508)	19,055,590
Current tax assets					166,041
Total assets					19,221,631

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

25. SEGMENT INFORMATION (Cont'd)

30.6.2025 Group	Software implementation RM	Solar panel installation RM	Investment holding RM	Inter-group Elimination RM	Total RM
Liabilities					
Segment liabilities				(2,418,012)	2,886,600
Current tax liabilities	4,019,175	1,210,244	75,193		99,081
Deferred tax liabilities					106,776
Total liabilities					<u>3,092,457</u>
Other segment information					
Addition to non-current assets	303,441	27,996	-	-	331,437
Other material non-cash item:					
Depreciation and amortisation	201,732	12,015	278,343	-	492,090
Net remeasurement of loss allowances	202,603	37,585	-	-	240,188
Gain on disposal of an associate	-	-	(1,133,753)	-	(1,133,753)

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

25. SEGMENT INFORMATION (Cont'd)

31.3.2024 (Restated) Group	Software implementation RM	Solar panel installation RM	Investment holding RM	Inter-group Elimination RM	Total RM
Revenue					
External revenue	5,841,627	5,162,894	-	-	11,004,521
Inter-segment revenue	-	-	10,000	(10,000)	-
Total revenue	5,841,627	5,162,894	10,000	(10,000)	11,004,521
Results					
Segment results	729,376	898,022	(4,408,455)	3,850,524	1,069,467
Share of results of an associate	-	-	(47,458)	-	(47,458)
Interest income					31,020
Interest expense					(65,545)
Profit before tax					987,484
Tax expense					(221,356)
Profit for the financial year					766,128
Assets					
Segment assets	8,659,087	4,928,419	9,775,513	(5,214,933)	18,148,086
Investment in an associate	-	-	2,020,908		2,020,908
Current tax assets					237,365
Total assets					20,406,359

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

25. SEGMENT INFORMATION (Cont'd)

31.3.2024 (Restated) Group	Software implementation RM	Solar panel installation RM	Investment holding RM	Inter-group Elimination RM	Total RM
Liabilities					
Segment liabilities				(2,245,175)	6,882,665
Current tax liabilities	4,760,494	4,287,607	79,739		197,856
Deferred tax liabilities					106,776
Total liabilities					<u>7,187,297</u>
Other segment information					
Addition to non-current assets	985,485	2,768	-	-	988,253
Other material non-cash item:					
Depreciation and amortisation	37,168	6,887	222,675	-	266,730
Net remeasurement of loss allowances	(200,315)	8,377	-	-	(191,938)

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

25. SEGMENT INFORMATION (Cont'd)

- (a) Inter-segment revenues are eliminated on consolidation.
- (b) Additions to non-current assets consist of additions to property, plant and equipment.

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 follow:

	Revenue		Non-current assets	
	1.4.2024 to 30.6.2025 RM	1.4.2023 to 31.3.2024 (Restated) RM	30.6.2025 RM	31.3.2024 (Restated) RM
Malaysia	14,599,667	9,191,941	4,886,996	7,070,582
Asia Pacific	1,431,097	1,812,580	-	-
	<u>16,030,764</u>	<u>11,004,521</u>	<u>4,886,996</u>	<u>7,070,582</u>

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	
	30.6.2025 RM	31.3.2024 (Restated) RM
Property, plant and equipment	4,025,683	4,186,341
Investment property	750,000	750,000
Investment in an associate	-	2,020,908
Intangible assets	111,313	113,333
	<u>4,886,996</u>	<u>7,070,582</u>

Major customers

Total revenue from Nil (31.3.2024:1) major customers which individually contributed more than 10% of the Group's total revenue amounted to RM Nil (31.3.2024: RM1,384,866).

26. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

26. RELATED PARTY DISCLOSURES (Cont'd)**(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 period:

	Group		Company	
	30.6.2025	1.4.2023 to 31.3.2024 (Restated)	30.6.2025	1.4.2023 to 31.3.2024 (Restated)
	RM	RM	RM	RM
Transactions with an associate				
Sales	-	12,540	-	-
Transactions with a related party				
Cost sharing	47,965	27,719	8,143	49,650
Professional fees and disbursements paid	2,052	4,155	-	-
Sales	1,944	1,944	-	-
Rental expenses	-	18,000	-	-
Transactions with subsidiaries				
Operations fund provided	-	-	300,000	-
Interest income	-	-	1,507	32,073
Management fees received	-	-	10,000	10,000

(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 22(a).

The remuneration of other members of key management personnel during the financial period is as follows:

	Group	
	1.4.2024 to 30.6.2025	1.4.2023 to 31.3.2024 (Restated)
	RM	RM
Salary, bonus and other emoluments	605,584	421,886
Contributions to defined contribution plan	71,747	49,155
	<u>677,331</u>	<u>471,041</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

27. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

	Group		Company	
	30.6.2025 RM	31.3.2024 RM	30.6.2025 RM	31.3.2024 RM
Financial assets				
<u>Amortised cost</u>				
Trade and other receivables	2,891,853	2,182,328	-	13,928
Amount due from subsidiaries	-	-	53,403	511,339
Cash and bank balances	6,772,005	8,658,633	3,911,542	4,033,804
	<u>9,663,858</u>	<u>10,840,961</u>	<u>3,964,945</u>	<u>4,559,071</u>
<u>FVTOCI</u>				
Equity instrument designated at FVTOCI	<u>3,420,000</u>	<u>-</u>	<u>3,420,000</u>	<u>-</u>
Financial liabilities				
<u>Amortised cost</u>				
Trade and other payables	1,769,049	3,784,642	75,193	79,739
Borrowings	-	1,036,620	-	-
	<u>1,769,049</u>	<u>4,821,262</u>	<u>75,193</u>	<u>79,739</u>

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, foreign currency and interest rate 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

27. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

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's major concentration of credit risk relates to the amount owing from 2 (31.3.2024: 2) customers, the balances of each is equal to or more than 10% of total balances of trade receivables constituting 25% (31.3.2024: 42%) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

27. 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)

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.

	Gross carrying amount RM	Loss allowances RM	Net carrying amount RM
Group			
30.6.2025			
Gross amount			
Current (not past due)	836,014	(8,288)	827,726
1 to 60 days past due	303,022	(7,270)	295,752
61 to 120 days past due	795,803	(30,830)	764,973
121 to 180 days past due	258,738	(15,969)	242,769
181 to 240 days past due	296,196	(54,486)	241,710
More than 240 days past due	615,918	(216,396)	399,522
Individually impaired	163,190	(163,190)	-
	<u>3,268,881</u>	<u>(496,429)</u>	<u>2,772,452</u>
31.3.2024			
Gross amount			
Current (not past due)	1,180,677	(11,806)	1,168,871
1 to 60 days past due	375,453	(11,264)	364,189
61 to 120 days past due	70,915	(3,546)	67,369
121 to 180 days past due	165,318	(10,994)	154,324
181 to 240 days past due	45,830	(9,166)	36,664
More than 240 days past due	383,694	(90,783)	292,911
Individually impaired	118,682	(118,682)	-
	<u>2,340,569</u>	<u>(256,241)</u>	<u>2,084,328</u>

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 period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

27. 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)

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.

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 advancesRisk 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.

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.

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. The credit risk attributable to the cash and cash equivalents is limited because the counterparties are licensed banks and financial institutions with high credit-rating assigned by international credit-rating agencies. Consequently, the Group and of the Company are of the view that the loss allowance is not material and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

27. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

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 (31.3.2024: RM1,400,000). The maximum exposure to credit risk amounted to RM Nil (31.3.2024: RM1,036,620), 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, the overdraft facility had been fully repaid by the subsidiary.

The fair value of the financial guarantee has not been recognised at inception stage 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 and financial guarantee at the end of the reporting period will mature within one year.

(iii) Interest rate 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.

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	
	30.6.2025 RM	31.3.2024 RM	30.6.2025 RM	31.3.2024 RM

Fixed rate instruments :

Financial assets	<u>1,344,373</u>	<u>1,140,823</u>	<u>1,086,368</u>	<u>1,052,224</u>
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Floating rate instruments :

Financial liabilities	<u>-</u>	<u>1,036,620</u>	<u>-</u>	<u>-</u>
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NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

27. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(iii) Interest rate risk (Cont'd)

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 floating 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 RM Nil (31.3.2024: RM1,969) and a corresponding decrease would have an equal but opposite effect, with all other variables held constant.

(iv) 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 arises 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 denominated in foreign currency for working capital purposes. The currency giving rise to this risk is primarily United States Dollar ("USD").

The carrying amounts of the Group's financial assets and financial liabilities denominated in foreign currencies at the end of the reporting period are as follows:

	Denominated in USD	
	30.6.2025 RM	31.3.2024 RM
Cash and bank balances	20,666	4,722
Trade and other payables	(254,383)	(1,766,991)
	<u>(233,717)</u>	<u>(1,762,269)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

27. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(iv) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

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 currency 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	
	30.6.2025 RM	31.3.2024 RM
USD	23,372	176,227

28. FAIR VALUE INFORMATION

Fair value measurement of financial assets

Financial assets	Fair value hierarchy	Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Equity instrument - unquoted shares	Level 3	Revalued Net Asset Value	- Value of mineral assets - Debt forgiveness	*(a) *(b)

- (a) If the following unobservable inputs, which were applied in the valuation of mineral assets, increase/decrease while all other variables remain constant, profit or loss and equity of the Group and the Company would increase/decrease by:

	Profit or Loss/Equity	
	Increase RM	Decrease RM
Discount rate (1% movement)	10,000	(10,000)
Metal price (5% movement)	1,090,000	(1,090,000)

- (b) The revaluation involved a debt forgiveness as part of the restructuring by YGL iBay's investee which is subject to certain conditions precedent that will expire on 31 March 2026. Should those conditions not be satisfied, the fair value of the investment in equity instrument would be RM380,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

28. FAIR VALUE INFORMATION (Cont'd)

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 and Note 6 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.

29. 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 need 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 period 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

30. PRIOR YEAR ADJUSTMENT

The Group and the Company have restated the opening balances as at 1 April 2023 and the comparative figures for the financial year ended 31 March 2024. These restatements were made to correct certain accounting and classification errors relating to prior periods, in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The adjustments primarily relate to the recognition, measurement and classification of software development costs, revenue recognition, inventories, non-controlling interests, other reserve and investment in subsidiaries. As a result, the retained earnings and certain line items in the statements of financial position and statement of comprehensive income have been restated to reflect the corrected amounts.

Group	As previously stated RM	Prior year adjustment RM	As restated RM
31.3.2024			
<u>Statement of Financial Position</u>			
Non-current assets			
Intangible assets	2,127,659	(2,014,326)	113,333
Current assets			
Inventories	992,939	(420,294)	572,645
Trade and other receivables	2,656,396	1,210,738	3,867,134
Equity			
Other reserves	2,085,461	(139,764)	1,945,697
Retained profits/(Accumulated losses)	2,103,895	(2,459,323)	(355,428)
Non-controlling interests	(241,102)	394,307	153,205
Current liabilities			
Contract liabilities	(1,056,007)	(980,898)	(2,036,905)
<u>Statement of Comprehensive Income</u>			
Revenue	11,822,226	(817,705)	11,004,521
Cost of sales	(8,064,612)	1,143,479	(6,921,133)
<u>Statement of Cash Flows</u>			
Profit before tax	661,710	325,774	987,484
Net cash from operating activities	4,100,479	(1,459,509)	2,640,970
Net cash from/(used in) investing activities	1,294,874	(1,438,742)	(143,868)
Net cash (used in)/from financing activities	(500,789)	2,180,220	1,679,431
Net increase in cash and cash equivalents	4,894,564	(718,031)	4,176,533
Effect of exchange rate changes on cash and bank balances	8,396	(8,092)	304

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

30. PRIOR YEAR ADJUSTMENT (Cont'd)

Company	As previously stated RM	Prior year adjustment RM	As restated RM
31.3.2024			
<u>Statement of Financial Position</u>			
Non-current assets			
Investment in subsidiaries	7,382,655	(3,781,852)	3,600,803
Equity			
Retained profits	3,859,748	(3,781,852)	77,896
<u>Statement of Comprehensive Income</u>			
Other income	1,420,344	(1,314,404)	105,940
General and administrative expenses	(2,027,472)	(2,467,448)	(4,494,920)
<u>Statement of Cash Flows</u>			
Loss before tax	(597,128)	(3,781,852)	(4,378,980)
Net cash from investing activities	2,525,289	(2,075,220)	450,069
Net cash from financing activities	-	2,075,220	2,075,220
Group			
1.4.2023			
<u>Statement of Financial Position</u>			
Non-current assets			
Intangible assets	2,482,310	(2,367,361)	114,949
Equity			
Accumulated losses	(19,161,615)	(2,692,542)	(21,854,157)
Non-controlling interests	(430,132)	161,988	(268,144)
Current liabilities			
Contract liabilities	(1,512,504)	(163,193)	(1,675,697)

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2024 to 30 June 2025

31. CONTINGENT LIABILITIES

Ygl Intelligent Technology Sdn. Bhd. ("Ygl") is currently involved in a legal dispute with Tastiway Sdn. Bhd. ("Tastiway") arising from an ERP software implementation project. Both parties entered contract in November 2022 and the project commenced after initial payments were received. In March 2023, Ygl suspended work due to Tastiway's failure to settle subsequent outstanding invoices. Subsequently, in September 2023, Tastiway terminated the project and demanded a full refund of all payments made. In May 2025, Tastiway initiated legal proceedings against Ygl, claiming RM683,537, along with interest and legal costs.

In response, Ygl has filed a counterclaim amounting to approximately RM335,012, which includes claims for unpaid invoices, wasted costs and reasonable compensation for work performed, as well as loss of profit, interest, and legal costs. The case remains ongoing, with no trial dates fixed and no pending interlocutory applications. The financial impact of the litigation is currently uncertain and will depend on the outcome of the legal proceedings. Accordingly, no provision has been made in the financial statements as the Group does not consider that there is any probable loss.

32. COMPARATIVE INFORMATION

During the financial period, the Company changed its financial year end from 31 March to 30 June. The current financial statements of the Group and of the Company are prepared for the financial period of 15 months from 1 April 2024 to 30 June 2025. As a result, the comparative information stated in the statements of comprehensive income, statements of change in equity, statements of cash flows and the related notes to the financial statements, which were prepared for 12 months financial period ended 31 March 2024, are not comparable.

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)	Fair Value (RM)
Unit 9-10, 9 th 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	25	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	06.12.2007/ 29.03.2024	17	750,000

ANALYSIS OF SHAREHOLDINGS

As at 30 September 2025

Issued Share Capital : 273,716,889 Ordinary Shares
Class of Equity Securities : Ordinary Shares ("Shares")
Voting Rights : One vote per Share

Distribution Schedule of Shareholders

No. of Holders	Size of Shareholdings	No. of Issued Shares	%
7	Less than 100	308	*
629	100 - 1,000	169,600	0.06
794	1,001 - 10,000	5,301,700	1.94
884	10,001 to 100,000	33,044,900	12.07
211	100,001 to less than 5% of issued shares	136,257,500	49.78
3	5% and above of issued shares	98,942,881	36.15
2,528	Total	273,716,889	100.00

* Negligible

30 Largest Securities Account Holders Based on Record of Depositors

(without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares held	%
1	YEAP KONG CHEAN	46,799,017	17.10
2	YEAP KONG TAI (Deceased)	32,786,664	11.98
3	CARTABAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE (EFGBHK-TEMPATAN)	19,357,200	7.07
4	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEAP KONG TAI (YGLSONS&SB-PUPG)	6,680,000	2.44
5	CHAN LI KHENG	6,462,000	2.36
6	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ENG GING KIAT	5,735,000	2.10
7	TAN LAN WAH	4,518,700	1.65
8	YEAP CHOR BENG & SONS SDN BHD	4,500,000	1.64
9	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEAP KONG YEOW	4,060,000	1.48
10	YEAP SEONG SUN	4,000,000	1.46
11	LEE WAI MUN	3,748,600	1.37

ANALYSIS OF SHAREHOLDINGS

30 Largest Securities Account Holders Based on Record of Depositors (Cont'd)

(without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares held	%
12	CHEONG XIN YIN	3,622,900	1.32
13	WONG AH YONG	3,317,900	1.21
14	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR FOO CHEE BOON</i>	3,260,000	1.19
15	TRICOR SERVICES (MALAYSIA) SDN. BHD.	3,075,000	1.12
16	LO YOON CHOONG	2,770,000	1.01
17	YONG BOON CHIEH	2,500,000	0.91
18	YEAP KONG YEOW	2,433,000	0.89
19	TAN LAN WAH	2,362,000	0.86
20	NG JEH YEONG	2,220,000	0.81
21	TEE CHEE CHIANG	1,819,100	0.66
22	NG CHENG GUAN	1,604,100	0.59
23	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR UOB KAY HIANG PTE LTD (A/C CLIENTS)</i>	1,513,200	0.55
24	SIM PUEI CHUN	1,507,000	0.55
25	SEAW KENG SENG	1,400,000	0.51
26	YEAP KOK LEONG	1,400,000	0.51
27	APEX NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR SIOW YUEN CHEANG</i>	1,360,800	0.50
28	TAN SEIK LANG	1,340,000	0.49
29	HEW YOON KIONG	1,286,900	0.47
30	MOOMOO NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHONG KO WEE</i>	1,131,300	0.41

Substantial Shareholders' Shareholdings based on Register of Substantial Shareholders

No.	Name of Substantial Shareholders	No. of Shares beneficially held				Note
		Direct Interest	%	Indirect Interest	%	
1	Yeap Kong Chean	46,799,017	17.10	-	-	
2	Yeap Kong Tai (Deceased)	39,466,664	14.42	-	-	
3	Dato' Woo Swee Lian	19,357,200	7.07	-	-	

ANALYSIS OF SHAREHOLDINGS

As at 30 September 2025

Directors' Shareholdings based on Register of Directors' Shareholdings

No.	Name of Directors	No. of Shares beneficially held				Note
		Direct Interest	%	Indirect Interest	%	
1	Yeap Kong Chean	46,799,017	17.10	4,000,000	1.46	a
2	Tan Hoay Leng	-	-	50,799,017	18.56	b
3	Wong Khai Meng	-	-	-	-	
4	Muhammed Ali Bin Hajah Mydin	-	-	-	-	
5	Wan Chia Keong	-	-	-	-	

Note:

- Deemed interested by virtue of his children's shareholdings in the company pursuant to Section 59 (11) of the Companies Act 2016 ("the Act")
- Deemed interested by virtue of her spouse's and children's shareholders pursuant to Section 59 (11) of the Act

Interests in related corporations

By virtue of his interest in shares in the Company, Mr. Yeap Kong Chean is 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 have any interest in shares in the related corporations.

PROXY FORM

CDS Account No.	
No. of shares held	



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	%
Address			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Twenty-First (21st) Annual General Meeting (“AGM”) of the Company to be held at **The George, George Town Penang, Saffron Private Dining, 138, Jalan Penang, 10100 George Town, Pulau Pinang** on **Thursday, 27 November 2025, 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 Mr. Yeap Kong Chean as Director of the Company.	1				
2.	To re-elect Mr. Wan Chia Keong as Director of the Company.	2				
3.	To approve the payment of Directors’ fees for the financial period ended 30 June 2025.	3				
4.	To approve the payment of Directors’ fees for the period from 1 July 2025 until the next AGM of the Company to be held in the year 2026.	5				
5.	To approve the payment of benefits to Directors for the period commencing from 28 November 2025 until the next AGM of the Company.	5				
6.	To re-appoint Messrs. Forvis Mazars PLT as auditors of the Company.	6				
Special Business						
7.	Authority for Directors to issue and allot shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights.	7				

(Please indicate with a “√” or 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 21st AGM for the full purpose and intent of the Resolutions to be passed.

Signature of Shareholder(s)/Common Seal

Signed this _____ day of _____, 2025.



* 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 21st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at **20 November 2025**. Only a depositor whose name appears on this Record of Depositors shall be entitled to attend the 21st AGM or appoint a proxy to attend, speak and vote on his/her/their 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/her 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 21st AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 21st 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 21st 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 21st 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 initialled.

Personal data privacy: -

By submitting the duly executed proxy form, the member and his/her/their 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 21st AGM of the Company and any adjournment thereof.

AFFIX
STAMP

To:

The Company Secretaries
Ygi Convergence Berhad
Registration No. 200401010510 (649013-W)
No. 35, Scotland Road
10450 Penang
Malaysia

Ygl Convergence Berhad

Registration No. 200401010510 (649013-W)

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