
YgIWORLD
Ygl Convergence Berhad
Registration No. 200401010510 (649013-W)
(Incorporated in Malaysia)
ANNUAL REPORT 2026
AMPLIFYING
TOMORROW



TABLE OF CONTENTS

Notice of Annual General Meeting	2
Corporate Information	7
Profile of Directors	8
Profile of Key Senior Management	14
Chief Executive Officer's Statement, Management Discussion & Analysis	16
Sustainability Statement	20

FINANCIAL STATEMENTS

Audit and Risk Management Committee Report	68
Corporate Governance Overview Statement	72
Statement on Risk Management and Internal Control	83
Statement of Directors' Responsibility in Relation to the Financial Statements	88
Additional Compliance Information	89
Directors' Report	93
Statement by Directors	98
Statutory Declaration	98
Independent Auditors' Report	99
Statements of Financial Position	104
Statements of Comprehensive Income	106
Statement of Changes in Equity	108
Statement of Cash Flows	111
Notes to the Financial Statements	114
List of Properties	179
Analysis of Shareholdings	180
Form of Proxy	Enclosed

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Second (22nd) Annual General Meeting ("AGM") of Ygl Convergence Berhad ("Ygl" or "the Company") will be held at **The George, George Town Penang, Ka Satu Meeting Private Room, 138, Jalan Penang, 10100 George Town, Pulau Pinang** on **Thursday, 26 November 2026, 10:30 a.m.** for the following purposes: -

AGENDA

As Ordinary Business: -

1. To receive the Audited Financial Statements for the financial year ended 30 June 2026 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) Madam Tan Hoay Leng; and **Ordinary Resolution 1**
   (ii) Encik Muhamed Ali Bin Hajah Mydin **Ordinary Resolution 2**

3. To re-elect Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim who is retiring pursuant to the Clause 78 of the Constitution of the Company and being eligible, has offered himself for re-election. **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 commencing from 27 November 2026 until the next AGM of the Company. **Ordinary Resolution 4**

5. To approve the payment of benefits (excluding Directors' fees) payable to the Directors up to an amount of RM20,000.00 for the period commencing from 27 November 2026 until the next AGM of the Company. **Ordinary Resolution 5**

6. To re-appoint Messrs. Forvis Mazars PLT as the Auditors of the Company 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: -** **Ordinary Resolution 7**
   Authority to issue shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights

   "**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 shares of the Company for the time being as stipulated under Rule 6.04 of the Bursa Securities ACE Market Listing Requirements;

As Special Business: - (Cont'd)

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

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

   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 Sections 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)
Company Secretaries

Pulau Pinang
Date: 30 October 2026

(A) Notes:

1. For the purpose of determining who shall be entitled to attend the 22nd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at **19 November 2026** (General Meeting Record of Depositors). Only a depositor whose name appears on this Record of Depositors shall be entitled to attend the 22nd AGM or appoint a proxy to attend, speak and vote on his/her/their behalf.

2. A member entitled to attend and vote at the 22nd 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.

3. A member of the Company who is entitled to attend and vote at the 22nd AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 22nd 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.

(A) Notes: (Cont'd)

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 Pulau Pinang, Malaysia, not less than forty-eight (48) hours before the time fixed for holding the 22nd 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. A member is not precluded from attending the Meeting in person after lodging the instrument of proxy. If you have submitted your instrument appointing a proxy prior to the Meeting and subsequently wish to revoke your proxy appointment(s), you may deposit a written notice of termination of proxy authority at the registered office of the Company at No. 35, Scotland Road, 10450 Pulau Pinang, Malaysia, not less than forty-eight (48) hours before the time set for holding the 22nd AGM or any adjournments.

9. Pursuant to Rule 8.31A of the ACE Market Listing Requirements ("AMLR") of Bursa Securities, all resolutions set out in the Notice of 22nd AGM will be put to vote by way of a poll.

(B) Explanatory Notes:

1. Item 1 of the Agenda: Audited Financial Statements for the financial year ended 30 June 2026

   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 – 3: Re-election of Directors by Rotation

   Clause 76(3) of 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.

   Clause 78 of the Constitution of the Company states that any Director so appointed under Clause 77 shall hold office only until the next AGM, and shall then be eligible for re-election.

   Ordinary Resolutions 1 to 2 – Madam Tan Hoay Leng and Encik Muhamed Ali Bin Hajah Mydin, 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 22nd AGM.

   Ordinary Resolution 3 – Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim, who is due for retirement in accordance with Clause 78 of the Constitution of the Company, has offered himself for re-election at the 22nd AGM.

   The profiles of the Directors who are standing for re-election are stated in the Company's Annual Report 2026.

   In determining the eligibility of the Directors to stand for re-election at the 22nd AGM, the Nominating Committee ("NC") has considered the following: -

   (i) satisfactory performance and have met the criteria of the Directors' Fit and Proper Policy of the Company in terms of character, experience, integrity, competence and time in discharging their duties and responsibilities;
   (ii) their ability to act in the best interest of the Company in decision-making; and
   (iii) for Independent and Non-Executive Director ("INED") only, the level of independence demonstrated by the INEDs and their ability to act in the best interest of the Company.

   The Board of Directors ("the Board") endorsed NC's recommendation for the retiring Directors pursuant to Clauses 76(3) and 78 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.

(B) Explanatory Notes: (Cont'd)

3. Ordinary Resolutions 4 - 5: Payment of Directors' fees and benefits made payable to the Directors

   Clause 93 of the Constitution of the Company provides that any fees and benefits payable to Directors shall be subject to annual shareholders' approval at a General Meeting. Pursuant thereto, shareholders' approval is sought for the payment of fees to Directors (Ordinary Resolution 4) and benefits payable to Directors (Ordinary Resolution 5).

   Ordinary Resolution 4 – The proposed Directors' fees of RM80,000 for the period commencing from 27 November 2026 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.

   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, who are of the view that such benefits are in the best interests of the Company for the period commencing from 27 November 2026 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 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 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 27 November 2025 (hereinafter referred to as the "Previous Mandate"). The Previous Mandate was not utilised and accordingly, no proceeds were raised.

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

   The waiver of pre-emptive rights will allow the Board 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 22nd AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

- As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming 22nd 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 22nd AGM.

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. **Yeap Kong Chean**
   Chief Executive Officer
2. **Wong Khai Meng**
   Independent Non-Executive Director
3. **Tan Hoay Leng**
   Executive Director
4. **Muhamed Ali Bin Hajah Mydin**
   Independent Non-Executive Director
5. **Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim**
   Independent Non-Executive Director
   (Appointed on 28 April 2026)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
Wong Khai Meng

Members
Muhamed Ali Bin Hajah Mydin
Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim
(Appointed on 28 April 2026)

NOMINATING COMMITTEE

Chairman
Muhamed Ali Bin Hajah Mydin

Members
Wong Khai Meng
Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim
(Appointed on 28 April 2026)

REMUNERATION COMMITTEE

Chairman
Muhamed Ali Bin Hajah Mydin

Members
Wong Khai Meng
Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim
(Appointed on 28 April 2026)



Company Secretaries

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

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

Registered Office

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

Share Registrar

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

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
Email: contact@mazars.my

Principal Bankers

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

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

Stock Exchange Listing

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

Website

https://www.yglworld.com/

PROFILE OF DIRECTORS





YEAP KONG CHEAN

Chief Executive Officer

Gender	Male
Nationality	Malaysian
Age	64

Mr. Yeap Kong Chean ("Mr. Yeap") was appointed to the Board on 1 June 2005. He currently serves as the Executive Director and Chief Executive Officer of the Company. He also serves on the Board of subsidiaries of the Company.

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

Mr. Yeap commenced his career in 1985 with Ernst & Young Malaysia and had spent seven (7) years in serving Ernst & Young Malaysia and Australia, advising both local and foreign companies across various industries and sizes. He was appointed as a consultant on advisory role with Ygl Convergence Malaysia Sdn Bhd in 1993, assisting Ygl Convergence Malaysia Sdn Bhd in business re-engineering and ERP deployment work. He was instrumental in taking Ygl Convergence Berhad listed in July 2005 and was appointed as Head of Industrial Revolution 4.0 Committee of the Malaysia-China Business Council under the purview of the Malaysia Prime Minister Department from 2018 to 2020.

He has no conflict of interest with the Group and has not been convicted of any offences within the past five (5) years (other than traffic offences) and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2026.



He attended all the six (6) Board of Directors' Meetings held in the financial year ended 30 June 2026.





TAN HOAY LENG

Executive Director

Gender	Female
Nationality	Malaysian
Age	59

Madam Tan Hoay Leng ("Madam Tan") was appointed to the Board on 12 May 2009. She is a member of the Malaysian Institute of Accountants and the Australian Society of Certified Practising Accountants and presently oversees the finance and human resources of Ygl Group.

Madam Tan graduated with a Bachelor's degree in Commerce from University of Western Australia in 1990.

She commenced her career in 1991 with Coopers & Lybrand where she served for three (3) years. Madam Tan was subsequently involved in public practice, providing consultation services to customers in various industries. Madam Tan has vast 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 within the past five (5) years (other than traffic offences) and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2026.

She attended all the six (6) Board of Directors' Meetings held in the financial year ended 30 June 2026.







WONG KHAI MENG

Independent & Non-Executive Director

Gender	Male
Nationality	Malaysian
Age	48

Mr. Wong Khai Meng ("Mr. Wong") was appointed to the Board on 12 May 2020. He currently serves as the Chairman of the Audit and Risk Management Committee and is 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 Financial Planning Association of Malaysia.

Mr. Wong graduated from Manchester University in the United Kingdom in 2000 and started his career in auditing. Mr. Wong had held the position of Chief Operating Officer of CC International Berhad, a private professional business services company from 2010 to 2015, managing group operations from human resources, management information system, finance, customer service and business development. He was later appointed as the Chief Executive Officer in January 2016 and held the position until 2025.

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

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

He has no conflict of interest with the Group and has not been convicted of any offences within the past five (5) years (other than traffic offences) and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2026.

He attended all the six (6) Board of Directors' Meetings held in the financial year ended 30 June 2026.







MUHAMED ALI BIN HAJAH MYDIN

Independent & Non-Executive Director

Gender	Male
Nationality	Malaysian
Age	55

Encik Muhamed Ali Bin Hajah Mydin ("Encik Muhamed") was appointed to the Board on 12 July 2021. He currently serves as the Chairman of Nominating Committee and was re-designated as the Chairman of Remuneration Committee on 01 October 2022. He is also a member of the Audit and Risk Management Committee of the Company.

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

Encik Muhamed joined Penang Skills Development Centre ("PSDC") as Chief Executive Officer from 2014 to 2021, steering workforce transformation programmes in Penang and nationwide. Under Encik Muhamed's leadership, PSDC has been established as a Centre of Excellence for Industry 4.0, with a strong focus on precision machining and advanced manufacturing processes. From 2005 until 2014, he held senior management positions with a system integrator company specialising in telecommunication solutions and a company specialising in assembly of computing devices and providing ICT solutions.

He has more than 26 years of working experience across various disciplines including ICT system 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 within the past five (5) years (other than traffic offences) and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2026.



He attended five (5) out of the six (6) Board of Directors' Meetings held in the financial year ended 30 June 2026.





DATO' SERI (DR.) HAJI ABDUL RAFIQUE BIN ABDUL KARIM

Independent & Non-Executive Director

Gender	Male
Nationality	Malaysian
Age	70

Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim ("Dato' Seri (Dr.) Haji Abdul Rafique") was appointed to the Board of Directors on 28 April 2026. He is a member of the Audit and Risk Management Committee, Remuneration Committee and Nominating Committee of the Company.

Dato' Seri (Dr.) Haji Abdul Rafique currently serves as an Independent Non-Executive Director of Coraza Integrated Technology Berhad. He previously served as an Independent Non-Executive Director of Unimech Group Berhad, a company listed on Main Market of Bursa Malaysia Securities Berhad.

Dato' Seri (Dr.) Haji Abdul Rafique completed his Higher School Certificate from Penang Free School in 1974 and subsequently joined his family's textile business, F.A. Karim Cloth House, where he gained early experience in sales and marketing. He later diversified into construction and property development through Syarikat Manora Sdn Bhd, contributing to the development of various housing and commercial projects in Penang. He also founded Al Rokiah Karim Holdings Sdn Bhd, an investment holding company with interests in textiles and property investment.

In addition to his corporate roles, he has been actively involved in business and community organisations, including the Penang Malay Chamber of Commerce and the National Malay Chamber of Commerce, where he held various leadership positions. He has also served as the Honorary Consul-General of Pakistan in Penang since 2007.

In recognition of his contributions to business and society, he has received numerous honours and awards, including state awards from the Government of Penang, namely the DSPN (2006), DMPN (2010) and DGPN (2019), the "Tamgha-i-Pakistan" award in 2016, an Honorary Doctor of Civil Laws in 2023, and the World Muslim Entrepreneur Excellence Award in 2025.

He has no conflict of interest with the Group and has not been convicted of any offences within the past five (5) years (other than traffic offences) and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2026.

Dato' Seri (Dr.) Haji Abdul Rafique attended one (1) Board of Directors' Meeting held during his tenure in office for the financial year ended 30 June 2026.



i. Family Relationships with Directors and/or Major Shareholders

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

Save for the above disclosure, none of the other Directors has any family relationship with any other Director or major shareholders 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

YONG CHENG YEW Innovation Manager

Gender	Male
Nationality	Malaysian
Age	48

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

Mr. Yong started his career with Mightysoft System Sdn Bhd in 2002 where he served as a Programmer for 3 years. Subsequently, he spent another 3 years in Platronix Sdn Bhd as an Enterprise Resource Planning ("ERP") consultant – wherein his responsibilities include handling customer implementations, technical issues resolution, customer requirements analysis, creating system documentation, design, software development and implementing solutions to meet system specifications.



Upon joining the Company in 2011 as a Senior Developer Manager, he developed the Company's ERP system, managed resource allocation and ensured timely delivery of high-quality software. In 2015, he assumed the role of Senior R&D Manager, leading the development of ePortal and ERP solutions with Industry 4.0 capability.

In December 2019, Mr. Yong was promoted as Innovation Manager, in charge of overseeing the development of cloud-based solutions and applications to enhance Ygl product offerings.

He has no family relationship with any directors and/or major shareholders of the Company, nor any conflict of interest with the Company. He does not hold any directorships in any other public listed companies. He has not been convicted of any offences within the past five (5) years (other than traffic offences) and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2026.

HO SOO WEE Group Marketing Manager

Gender	Male
Nationality	Malaysian
Age	58

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

Mr. Ho began his career with B. Braun Medical Industries Sdn Bhd from 1991 to 1994 where he served as an Assistant System Engineer and was later promoted to System Engineer and Analyst Programmer, responsible for the maintenance of system security, network connectivity and integration. He also prepared manual for network structure, hardware/software configuration and recovery plan.

In 1995, Mr. Ho transitioned to the financial market in 1995 by joining Thong & Kay Hian Securities Sdn Bhd, a prestigious stockbroking firm, as a dealer's representative trading in equities and options. Following Thong & Kay Hian Securities Sdn Bhd's acquisition by Hwang-DBS Securities Berhad in year 2004, he remained there until 2006.

On 1 October 2006, Mr. Ho joined the Company as its Group Marketing Manager and established the Company's marketing department and planning and implementing marketing strategies in alignment with the Company's brand objectives. He had gained extensive experience working with public relation companies to launch investor-relations events and establish rapport with members of the media and customers.

In reliance of his diverse background and experience, he has contributed actively to managerial meetings and currently serves as the leader for Corporate Social Responsibility activities of the Company, motivating Company employees to expand their capabilities, strengthen commitment and focus on achieving a united organisational goal.

Mr. Ho holds 50,200 ordinary shares in the Company which represents 0.02% of the Company's issued share capital.

He has no family relationship with any directors and/or major shareholders of the Company, nor any conflict of interest with the Company. He does not hold any directorships in any other public listed companies. He has not been convicted of any offences within the past five (5) years other than traffic offences and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2026.

PROFILE OF KEY SENIOR MANAGEMENT

YEAP SEONG SUN

Project Manager

Gender	Male
Nationality	Malaysian
Age	33

Mr. Yeap Seong Sun ("Mr. Yeap") joined the Company as an Enterprise Resource Planning ("ERP") consultant on 16 June 2020. He holds a Bachelor's Degree in Accounting from DePaul University in Chicago, USA in 2017.

He began his career as an auditor with Crowe Malaysia in January 2018 and had held senior audit positions before leaving in June 2019. He joined KPMG Malaysia advisory division in July 2019, where he had garnered extensive experience in accounting, audit and internal control, process flow and operation knowledge with exposure to multiple ERP systems like SAP etc.

Mr. Yeap joined the Company as an ERP consultant in 2020 and was involved in end-to-end implementation of projects from various industries. Drawing on his accounting background and knowledge of ERP system, he has progressively taken on responsibilities and was promoted to Project Manager on 1 November 2021. As Project Manager, he has effectively restructured the project team and strengthened project milestones and deliverables and continues to enhance team performance while ensuring product and service excellence to customers.



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

He holds 4.0 million ordinary shares in the Company, representing 1.46% equity interest of the Company. He does not hold any directorships in any other public listed companies. He has no conflict of interest with the Company and has not been convicted of any offences within the past five (5) years other than traffic offences and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2026.

CHIN KONG TAI

General Manager

Gender	Male
Nationality	Malaysian
Age	56

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

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

In 2006, he joined UCE Sdn Bhd ("UCE") as a Project Manager wherein he later serves as its Director, adding to his extensive engineering knowledge in telecommunications services supporting brand names such as Nokia, Huawei, Ericsson and ZTE. In 2014, he led UCE's transition into a full turnkey telecommunications solution provider and was also involved in telecommunications solar hybrid solution when he supported a subsidiary company of UCE on solar Engineering, Procurement, Construction, and Commissioning (EPCC) projects.

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

Since joining the Company in 2023, Mr. Chin had revamped the Company's solar energy strategy roadmap to focus more on Commercial & Industrial (C&I) market and strategised to improve the Company's operating and capital expenditure achieving profitability within a year. Under his leadership, he has set renewable energy business as a new revenue foothold for the Group in line with the Group's commitment of a sustainable manufacturing through Enterprise Resource Planning (ERP) solutions.

He holds 100,000 ordinary shares in the Company which represents 0.04% of the Company's issued share capital.

He has no family relationship with any directors and/or major shareholders of the Company, nor any conflict of interest with the Company. He does not hold any directorships in any other public listed companies. He has not been convicted of any offences within the past five (5) years other than traffic offences and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 June 2026.

CHIEF EXECUTIVE OFFICER'S STATEMENT, MANAGEMENT DISCUSSION & ANALYSIS



On behalf of the Board of Directors (the "Board") and the management team of Ygl Convergence Berhad ("Ygl" or "the Company") and its subsidiaries (collectively known as "the Group"), it is my privilege to present our Annual Report and Audited Financial Statements for the financial year ended 30 June 2026 ("FY2026").

Overview

FY2026 was a year that tested the resilience of businesses worldwide. The operating environment was shaped by geopolitical uncertainties, shifting global trade policies, evolving regulatory requirements and a rapidly accelerating wave of artificial intelligence ("AI") adoption. These developments challenged enterprises across industries, but they also reinforced a fundamental reality: organisations which embrace digital transformation, automation and sustainability will be better positioned to compete in the future economy.

For Ygl, the year represented a period of strategic recalibration. While our financial performance was affected by softer market demand and temporary disruptions within the solar industry, we remained committed to investing in innovation, preserving our technical capabilities and strengthening the foundations that will support our long-term growth.

Today, Ygl stands at the convergence of AI-powered enterprise solutions, smart manufacturing, digital compliance and renewable energy, areas that continue to receive strong policy support from the Malaysian Government while addressing increasingly critical business needs across the region.



Navigating a Changing Business Landscape

The global economy during FY2026 continued to operate amid heightened uncertainty. Since early 2025, changes in United States tariff policies and protectionist measures have disrupted international trade flows, affecting manufacturers, exporters and multinational corporations operating throughout Asia. These uncertainties in turn played a key role in influencing investment decisions and delayed technology spending among many businesses.

Despite the uncertainties caused by geopolitical factors, stakeholders shall be comforted that digital transformation is accelerating. AI has evolved beyond experimentation into practical business adoption. Enterprises are increasingly deploying AI to automate repetitive processes, enhance decision-making, optimise operations and improve customer experiences. In parallel, sustainability reporting requirements continue to gain momentum as investors, regulators and customers demand greater transparency on environmental performance.

In line with the efforts of Malaysian Government, Ygl remains committed to positioning itself as a regional digital economy leader through initiatives supporting AI, Industry 4.0, ESG adoption and enterprise digitalisation. Government grants, digitalisation incentives and renewable energy programmes continue to encourage businesses to modernise their operations.

These structural shifts align closely with Ygl's long-term strategic direction. With more than three decades of enterprise software experience, the Group has continued to evolve our technology platforms to help businesses digitalise critical operations while preparing for the next generation of intelligent enterprises.

Group Business and Operations

Throughout FY2026, Ygl continued executing its strategy across two complementary business pillars: Enterprise Software Solutions and Renewable Energy Solutions.

Software business remains the core of Ygl's value creation strategy. Recognising this core value, Ygl continues to enhance its proprietary enterprise solutions, including NERVO ERP, Smart Manufacturing, Smart Warehouse, e-Invoice, eXBRL, TAXcom and ESG digital solutions, enabling organisations to improve productivity while meeting increasingly complex regulatory requirements.

A significant focus during the year was embedding AI capabilities into Ygl's enterprise ecosystem. Rather than treating AI as a standalone application, Ygl has progressively integrated intelligent features across our software platforms to improve automation, predictive insights, decision support and operational efficiency.

Ygl's Green Manufacturing Intelligent Portal ("GMIP") and ESG digital solutions further strengthen our ability to support customers in managing carbon emissions, sustainability reporting and resource optimisation through integrated enterprise data.

These capabilities position Ygl not merely as a software vendor, but as a long-term digital transformation partner.

On the renewable energy front, our solar business continued to serve both commercial and residential customers despite temporary market disruptions arising from the transition between government solar incentive programmes. Since the establishment of Ygl's solar business during the pandemic, we have steadily strengthened our execution capabilities while maintaining our commitment to high-quality installation standards and customer satisfaction.

Although external conditions affected short-term demand, Ygl remains confident that renewable energy will continue becoming an increasingly important growth sector as Malaysia advances its energy transition agenda.

Financial Performance Review

FY2026 marked the Group's return to a normal 12-month financial reporting period following the previous 15-month financial period ended 30 June 2025 ("FY2025"). As such, year-on-year comparisons should be interpreted with appropriate consideration of the differing reporting periods.

The Group recorded revenue of RM5.22 million for FY2026, compared with RM16.03 million in FY2025. The Group recorded a gross loss of RM0.05 million and a net loss attributable to ordinary equity holders of the parent



of RM3.51 million for FY2026, compared with a gross profit of RM5.45 million and a net profit attributable to ordinary equity holders of the parent of RM2.43 million in FY2025.

The Group further recorded a net loss per share attributable to ordinary equity holders of the parent of 1.28 sen as compared to net profit per share attributable to ordinary equity holders of the parent of 0.89 sen for FY2025.

While the financial results fell short of expectation, it shall be comforted that it is largely due to extraordinary external geopolitical, regulatory transitions and market conditions rather than a deterioration in Ygl's core technological capabilities or long-term strategic positioning.

During the year, Management made a deliberate decision to preserve its skilled workforce and continue investing in research and development despite softer market conditions. We believe retaining technical expertise is critical in a knowledge-driven industry where innovation, domain knowledge and customer support capabilities represent long-term competitive advantages. Our R&D investment of RM0.76 million demonstrates the Group's continued commitment to innovation despite a challenging financial year.

Rather than pursuing short-term cost reductions that may potentially undermine future growth, we focused on maintaining our ability to respond quickly as market conditions improve.

This disciplined approach reflects our commitment to building sustainable shareholder value over the long term.

Business Performance by Segment

Enterprise Software Solutions

The software segment generated revenue of RM2.64 million in FY2026 and recorded a net operating loss of RM3.30 million. In comparison, during the 15-month financial period in FY2025, the segment generated a revenue of RM6.69 million with net profit from operations of RM1.10 million.

Enterprise software demand remained measured as customers adopted a prudent approach to discretionary spending, with some organisations deferring investment decisions amid broader economic uncertainties and evolving trade conditions. Despite these near-term market conditions, we remained focused on strengthening our product portfolio through continued investment in product development and innovation, positioning the business to capture future growth opportunities as customer confidence improves. Key areas of progress included:

- **AI-enhanced enterprise solution**
- **Carbon emissions calculation and decarbonisation solution**
- **AI-enhanced Green Manufacturing and Smart Warehouse solution**

Renewable Energy Solutions

The solar segment generated a revenue of RM2.58 million and recorded a net operating loss of RM0.33 million for FY2026. In comparison, during the preceding 15-month financial period in FY2025, Ygl recorded a revenue of RM9.34 million with a net profit from operations of RM1.82 million.

Market activity moderated significantly following the conclusion of the previous Net Energy Metering (NEM) programme in June 2025, as the transition to the replacement framework took longer than anticipated. The resulting regulatory transition period led some potential customers to adopt a more measured approach to investment decisions. Demand began to show signs of recovery in the fourth quarter of FY2026 as greater clarity emerged around Malaysia's new solar implementation framework, supporting renewed customer confidence and improving market visibility. Despite these temporary headwinds, the long-term outlook for renewable energy remains encouraging as electricity cost optimisation and sustainability objectives continue to drive adoption among businesses and homeowners.

Building for the Future

While FY2026 presented operational challenges, it also reinforced several long-term opportunities that underpin our strategic direction.

AI is increasingly reshaping the enterprise computing landscape, with businesses increasingly seeking intelligent software solutions capable of automating workflows, generating insights from operational data and supporting faster and informed decision-making. In response, we are accelerating AI integration across our software ecosystem, enabling customers to extract greater value from their existing enterprise data.

At the same time, ESG compliance continues evolving from voluntary initiatives into an increasingly important strategic business priority. Organisations are placing greater emphasis on integrated solutions capable of capturing environmental data, calculating emissions and producing auditable sustainability reports, which presents a meaningful opportunity for Ygl in providing the necessary solution to existing and future customers.

Ygl's enterprise platforms are designed to bridge operational systems with sustainability reporting requirements, enabling customers to manage compliance more efficiently while improving business performance.

Our strategy remains centred on five core growth pillars:

- **AI-enabled Green Manufacturing Solution**
- **Enterprise Computing Solution**
- **Smart Warehouse Solution**
- **AI-enabled TAXCom and eXBRL**
- **Renewable Energy Solution**

These complementary businesses strengthen our ability to support customers across their broader digital transformation journey, by delivering integrated solutions that address evolving business needs rather than through isolated products.



Future Prospects

Looking ahead, we remain cautiously optimistic about the Group's medium and long-term prospects. With the evolving markets, several structural trends are expected to continue to support sustained demand for our solutions.

The continued adoption of AI across industries is expected to create new opportunities for enterprise software capable of delivering intelligent automation and predictive capabilities. As Malaysian businesses accelerate their digital transformation initiatives, we anticipate growing demand for integrated solutions spanning ERP, manufacturing execution, warehouse management and compliance solutions.

The nationwide implementation of e-Invoicing further reinforces the importance of digital enterprise platforms capable of integrating financial, operational and regulatory processes.

Meanwhile, evolving sustainability reporting requirements, including those aligned with the global standards, such as IFRS Sustainability Disclosure Standards, are encouraging organisations to strengthen their ESG data management and reporting capabilities, thereby increasing demand for, and investment in, digital systems that improve ESG data management and reporting capabilities.

Within the renewable energy sector, Malaysia's continued commitment to expanding clean energy capacity, including initiatives such as the Community Renewable Energy Aggregation Mechanism ("CREAM"), has the potential to broaden market participation and create additional opportunities for solar deployment.

Our continued collaboration with government agencies, industry partners and customers position Ygl to participate meaningfully in these long-term growth opportunities.

Moving Forward Together

As we enter FY2027, our priorities remain clear and focused.

As part of our continuing efforts, we will continue to strengthen our AI capabilities, expand our enterprise solution offerings, enhance customer value through continued innovation, and improve operational execution across both our software and solar businesses.

At the same time, we will remain disciplined in our allocation of resources, balancing prudent cost management with strategic investment in technologies and capabilities that strengthen our competitive position.

The challenges we experienced during FY2026 have reinforced the importance of resilience, adaptability and continuous innovation. We believe the investments we continue making today will better position Ygl to capture emerging opportunities as businesses increasingly embrace AI-driven digital transformation and sustainable growth.

Our vision remains unchanged: to build Malaysian-developed technologies that empower enterprises to compete globally while creating sustainable, long-term value for our shareholders, customers, employees and the communities we serve.

Appreciation

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

- our valued customers for their continued trust;
- our business partners for their collaboration;
- our fellow Board members for their guidance;
- our management team and employees for their unwavering dedication; and
- our shareholders for their confidence and continued support throughout FY2026.

The Board would also like to record our sincere appreciation to Mr. Wan Chia Keong for his valuable contributions during his tenure as Independent Non-Executive Director from 1 October 2022 until 30 January 2026, where he also served as a member of the Audit and Risk Management Committee, Remuneration Committee and Nominating Committee.

We would further like to extend a warm welcome to our Independent Non-Executive Director, YBhg. Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim to the Board on 28 April 2026. He currently serves as a member of Audit and Risk Management Committee, Remuneration Committee and Nominating Committee. We look forward to benefiting from his experience and insights as we continue advancing Ygl's long-term growth strategy.

Together, we remain committed to shaping a stronger, smarter and more sustainable future.

Yeap Kong Chean
Chief Executive Officer
Date: 23 October 2026



1. BASIS OF PREPARATION

IFRS Sustainability Disclosure Standards reference:

IFRS S1.20, S1.22, S1.24, S1.30(b)–(c), S1.31, S1.55(a), S1.64, S1.72, S1.B38, IFRS S2.10(d); first-time adoption and transition reliefs: IFRS S1.E1, S1.E3, S1.E4, S1.E5

1.1 Compliance with IFRS Sustainability Disclosure Standards

The Sustainability Statement (the "Sustainability Statement" or "Statement") of Ygl Convergence Berhad and its subsidiaries (collectively, the "Group") has been prepared in accordance with the IFRS Sustainability Disclosure Standards — IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures* — as issued by the International Sustainability Standards Board (ISSB). These Standards have been adopted in Malaysia through the National Sustainability Reporting Framework (NSRF) established by the Advisory Committee on Sustainability Reporting, and are given effect for the Group through the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

In preparing this Statement, the disclosure topics in the Sustainability Accounting Standards Board (SASB) Standards relevant to the Group's activities have also been referred to and considered. Please see note 5 (Materiality assessment).



1.2 Connectivity with the financial statements

Reporting period, reporting entity and presentation currency. This Sustainability Statement has been prepared for the Group and should be read together with the Group's consolidated audited financial statements, which are prepared in accordance with the Malaysian Financial Reporting Standards (MFRS) and the IFRS Accounting Standards. It covers a 12-month period for the financial year ended 30 June 2026, which is aligned with the reporting period of the related consolidated financial statements.

The Group defines its time horizons by reference to when sustainability-related risks and opportunities could reasonably be expected to occur.

These align with the timelines used for the Group's strategic decision-making:

short term (1 to 2 years)	medium term (3 to 5 years)	long term (beyond 5 years)

The sustainability-related financial disclosures cover the same reporting entity as the related consolidated financial statements. The reporting entity comprises the parent company, Ygl Convergence Berhad, and its subsidiaries across its operations in Malaysia, Singapore, Hong Kong and the People's Republic of China. In preparing these disclosures, the Group has assessed both its own operations and its value chain. Please refer to note 2.2 for information on the value chain.

The presentation currency of the sustainability-related financial disclosures is in Ringgit Malaysia (RM), which aligns with the presentation currency of the consolidated audited financial statements. Amounts are rounded to the nearest Ringgit unless stated otherwise, and non-financial metrics are presented in the units indicated against each metric (for example, tonnes of carbon dioxide equivalent (tCO_2e) for greenhouse gas emissions, gigajoules (GJ) for energy and megalitres (ML) for water).

1.3 First-time adoption of IFRS Sustainability Disclosure Standards and transitional provisions

The Group is reporting under the IFRS Sustainability Disclosure Standards for the first time for its annual reporting period ended 30 June 2026. It has applied the following Standards, both of which were effective for annual reporting periods beginning on or after 31 December 2024:

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

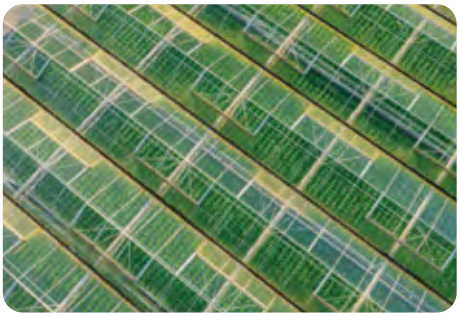
IFRS S2 Climate-related Disclosures.

At the reporting date, no other IFRS Sustainability Disclosure Standards had been issued by the ISSB.

Phased implementation under the NSRF. As an issuer listed on the ACE Market of Bursa Securities, the Group falls within "Group 3" of the NSRF's phased implementation, for which application of the IFRS Sustainability Disclosure Standards becomes mandatory for annual reporting periods beginning on or after 1 January 2027 ("Mandatory date" or "Regulatory timeline"). The Group has elected to adopt the Standards voluntarily, in advance of that mandatory date, to strengthen the comparability, consistency and reliability of the sustainability information provided to investors and other primary users.

Transition reliefs applied. The IFRS Sustainability Disclosure Standards provide a number of transition reliefs for the first annual reporting period in which an entity applies the Standards. The Group has applied only the following transition relief:

- relief from the requirement to disclose comparative information in the first annual reporting period.
- relief from issuing the sustainability report at the same time as the financial statements which were issued. This report has been issued at the same time as the Group's financial statements were issued.





The Group has not applied the "climate-first" transition relief available under the NSRF (which would permit reporting on only climate-related risks and opportunities in the initial reporting periods). Accordingly, this report includes information on environmental, social and governance sustainability-related risks and opportunities from its first year of reporting. The Group has also not deferred the disclosure of Scope 3 greenhouse gas emissions, and reports Scope 1, Scope 2 and Scope 3 emissions for the reporting period. The reporting boundary applied to these disclosures are set out in note 3.

As this is the Group's first reporting period under the IFRS Sustainability Disclosure Standards, the financial year ended 30 June 2026 will be used as the baseline against which progress towards the Group's sustainability-related targets is measured in future periods.



2. OVERVIEW OF THE GROUP AND VALUE CHAIN

IFRS S1.32; IFRS S1.B5; IFRS S2.29(c)

2.1 Overview of the Group

Our key business activities

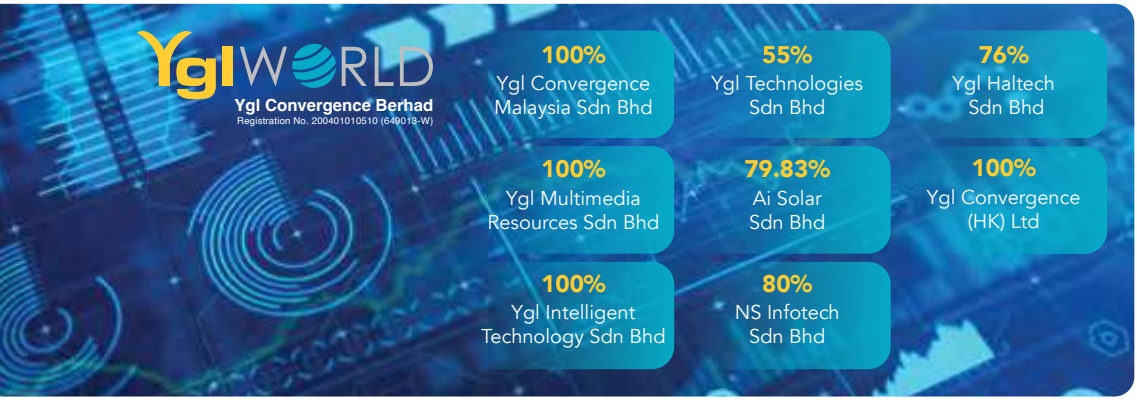
IFRS S1.32

Ygl Convergence Berhad ("Ygl" or "the Company") is a public company listed on the ACE Market of Bursa Securities and headquartered in Penang, Malaysia. The Group's business model is centred on the convergence of digitalisation and sustainability – delivering integrated digital and renewable energy solutions that support business efficiency, regulatory compliance and environmental performance for its customers.

The Group operates through three principal business segments: software implementation, solar panel installation, and investment holding. The software implementation segment is the core of the Group's activities and encompasses the development, deployment, integration and maintenance of enterprise solutions, including Enterprise Resource Planning (ERP), e-Invoicing, Warehouse Management Systems (WMS), AI analytics, ESG Middleware GREENBridge, e-XBRL, Halal monitoring solutions and Industry 4.0 applications. The solar panel installation segment provides engineering, procurement, construction and commissioning (EPCC) services for commercial and industrial solar photovoltaic systems, representing the Group's strategic expansion into renewable energy. The investment holding segment oversees corporate strategy, capital allocation and governance. The Group also markets and distributes computer hardware and software and provides professional consultancy and system integration services.

WHERE YGL OPERATES

Ygl operates across Malaysia, Singapore and Hong Kong. Our Information Technology division has a presence in Penang and Kuala Lumpur, 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.



2.1 Overview of the Group (Cont'd)

WHERE YGL OPERATES (CONT'D)

The Group's key market is Malaysia, supported by operations in Singapore and Hong Kong, China. The Information Technology division operates in Penang and Kuala Lumpur, Malaysia, and Singapore, while the Solar Technology division operates from Kuala Lumpur, Malaysia. The Group's key business activities, the geographical locations of those activities and their contribution to revenue are summarised in the table below:

Business activity	Additional information	Geographical locations	% of total revenue
Software implementation & consultancy	Development, deployment and maintenance of ERP, WMS, e-Invoicing, AI analytics, ESG Middleware and Industry 4.0 solutions; professional consultancy and system integration services	Malaysia, Singapore, Hong Kong (China)	47.82%
Solar panel installation (EPCC)	Engineering, procurement, construction and commissioning of commercial and industrial solar PV systems	Malaysia	49.45%
Hardware distribution	Marketing and distribution of computer hardware	Malaysia	2.73%

Our business model and value chain

IFRS S1.32

The Group plans to continue investing in and growing its software implementation business, which is core to its operations, while scaling its renewable energy segment. Management views ESG-enabled enterprise solutions and commercial and industrial solar as the Group's principal high-growth areas. The Group has set the following overall sustainability-related goals that align with its growth ambitions:

ESG-enabled digital solutions:
expanding ESG Middleware, carbon management, e-Invoice and AI analytics functionality embedded within its enterprise systems, enabling customers to monitor environmental performance and meet expanding regulatory and supply chain decarbonisation requirements.

Renewable energy:
growing the commercial and industrial solar EPCC business, both to generate a new income stream and to help customers reduce their Scope 2 emissions to achieve net-zero emission by 2050.

Solution design, development, implementation & solar EPCC:
Customisation, deployment and integration of enterprise systems; site assessment, design, installation and commissioning of solar PV systems; corporate governance and administration.

Reduction in GHG emissions:
improving the energy efficiency of the Group's own operations and progressing toward a net-zero aligned operational model over the long term, supported by the potential adoption of solar photovoltaic systems at selected facilities.



2.2 Our Value Chain

IFRS S1.32; IFRS S1.B5

To deliver its goods and services, the Group depends on a number of other entities, people and resources. Upstream, this includes suppliers of software technologies, IT hardware infrastructure, cloud and data-centre services, and solar photovoltaic components. Within its own operations, the Group designs, develops, implements and supports enterprise solutions and delivers solar EPCC projects. Downstream, the Group depends on its customers – principally manufacturing, logistics and services organisations – who deploy the Group's software and renewable energy solutions, and on the providers of ongoing support and maintenance services.

The Group's key upstream and downstream value chain relationships are summarised in the table below:

		Description	Geographical location
Upstream value chain	**Software & technology suppliers**	Software licences, development tools, cloud hosting and data-centre services	Malaysia, regional and global providers
	IT hardware vendors	Servers, networking and computing equipment for solution delivery and internal operations	Malaysia
	Solar component suppliers	Solar PV modules, inverters, mounting structures and related electrical components for the EPCC business	China, Malaysia
	Subcontractors & service providers	Installation subcontractors, logistics and professional service providers	Malaysia
	Solution design, development, implementation & solar EPCC	Customisation, deployment and integration of enterprise systems; site assessment, design, installation and commissioning of solar PV systems; corporate governance and administration	Malaysia
Downstream value chain	**Enterprise software customers**	Manufacturing, logistics, retail and services organisations deploying the Group's ERP, WMS, AI analytics and ESG solutions	Malaysia, Hong Kong (China)
	Solar customers	Commercial and industrial customers adopting solar PV systems, reducing their Scope 2 emissions	Malaysia
	Support & maintenance	Ongoing technical support, system upgrades, monitoring and managed services supporting recurring revenue	Malaysia, Singapore, Hong Kong (China)

The Group also considers the positive environmental impact generated through its value chain, particularly the emissions avoided by customers through the deployment of solar PV systems and improved operational efficiency from the Group's digital solutions. These avoided emissions form part of the Group's broader contribution to a low-carbon economy and are described separately from the Group's own Scope 1, 2 and 3 emissions.

2.2 Our Value Chain (Cont'd)

Sustainability-related risks and opportunities in the value chain

IFRS S1.32; IFRS S2.29(c)

From a sustainability perspective, the Group's value chain presents both risks and opportunities. Upstream risks include supply chain disruption, fluctuations in component prices and the environmental and social practices of suppliers, including carbon-intensive manufacturing and labour practices, which could translate into cost volatility, supply disruption or reputational impact. Within its own operations, the principal exposures relate to project execution, data security, talent and energy consumption in IT infrastructure. Downstream, the Group is exposed to evolving customer regulatory requirements and shifting demand toward sustainable solutions. At the same time, the value chain offers significant opportunities, particularly the rising demand for ESG-enabled digital transformation services and renewable energy adoption, both of which are aligned with national and global sustainability agendas. The Group adopts a progressive approach to assessing value chain impacts, prioritising the areas with the highest potential financial and sustainability impact, and continues to strengthen engagement with suppliers, partners and customers to improve transparency and data availability across the value chain.

3. REPORTING BOUNDARY

IFRS S1.20; IFRS S1.B38; IFRS S2.29(a)(iii); IFRS S2.B26–B27

3.1 Reporting Boundary (excluding GHG emissions)

IFRS S1.20; IFRS S1.B38

Reporting entity

The entities, assets and operations (the "reporting entity") included in the Group's Sustainability Statement are the same as those included in the Group's audited consolidated financial statements for the financial year from 1 July 2025 to 30 June 2026 ("FY2026"). The reporting entity comprises Ygl and its subsidiaries over which the Group has control, encompassing entities engaged in software development and implementation, system integration, distribution of IT solutions, and solar photovoltaic EPCC services. This alignment ensures consistency between the Group's financial and sustainability disclosures, so that sustainability-related risks and opportunities are assessed in conjunction with the Group's financial performance, position and prospects.

There were no significant acquisitions or disposals of subsidiaries during the reporting period that affected the composition of the reporting entity. Where any change to the Group structure occurs, sustainability-related information relating to an acquired entity is included from the acquisition date, and information relating to a disposed entity is excluded from the date the Group loses control, consistent with the basis applied in the consolidated financial statements.



3.1 Reporting Boundary (excluding GHG emissions) (Cont'd)

Reporting entity (Cont'd)

The Group's reporting entity and the extent of sustainability-related information considered and included in this Statement are summarised below:

Entities and assets in the reporting entity	Additional information	Information considered and included
Parent and subsidiaries	Ygl and the subsidiaries it controls, engaged in software implementation, system integration, IT distribution and solar EPCC services	100% of the sustainability information, including consolidated subsidiaries not fully owned
Leased assets (Group as lessee)	The Group leases office premises and related equipment. The Group has the right to control the use of these assets and to substantially all of the related economic benefits during the lease term	100% of the sustainability information related to the use of the leased assets during the lease term

Note: The Group did not hold material interests in associates or joint arrangements during the reporting period. Should such interests arise, the basis on which they are included will be disclosed in the relevant period.

3.2 Reporting Boundary for GHG Emissions

IFRS S2.29(a)(iii); IFRS S2.B26–B27

The Group's reporting boundary for GHG emissions comprises its organisational boundary and its operational boundary.

a. Organisational boundary

IFRS S2.29(a)(iii)(2); IFRS S2.B27

The Group applies the operational control approach to establish its organisational boundary for the reporting of GHG emissions. The Group considers the operational control approach to be the most appropriate method, given that it has full authority to introduce and implement operating policies across the offices and facilities from which it conducts its software, distribution and solar operations. The following are specifically excluded from the 2026 report: Ai Solar does not disclose the Upstream and Downstream activities due to unavailability of data from these activities currently.



3.2 Reporting Boundary for GHG Emissions (Cont'd)

b. Operational boundary

IFRS S2.29(a)(iii)(1); IFRS S2.B26

100% of the GHG emissions from entities, assets and operations over which the Group has operational control are included in the GHG emissions reported by the Group, irrespective of the Group's ownership interest. These are reported as either Scope 1 (direct emissions from sources owned or controlled by the Group) or Scope 2 (indirect emissions from purchased electricity, reported on a location-based method). Any additional emissions generated in the Group's value chain are reported as Scope 3 emissions. For the current reporting period, the Group's Scope 3 emissions cover business travel and employee commuting; the Group intends to progressively expand the coverage of its Scope 3 categories, including procurement of IT hardware and solar components and third-party services, as data availability improves.

c. Calculation methods

IFRS S2.29(a)(ii); IFRS S2.B39

The Group measures its greenhouse gas (GHG) emissions in accordance with Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)(the 'GHG Protocol'), as required by IFRS S2. The Group quantifies its GHG emissions by applying recognised emission factors to activity data collected from operational sources. Scope 2 emissions are calculated using the latest published Malaysian grid emission factor for purchased electricity. The Group applies judgement in selecting the most appropriate calculation method for each Scope 3 category, prioritising activity-based data where available and applying estimation where activity data or emission factors are incomplete. The Group's carbon emissions are calculated using its ESG Middleware, which is integrated with the Ygl ERP system to enable automated data collection, application of standardised emission factors aligned with the GHG Protocol, and built-in validation controls to support transparent, audit-ready reporting. The detailed GHG emissions results are presented in the Environment-related Risks and Opportunities section of this Statement.

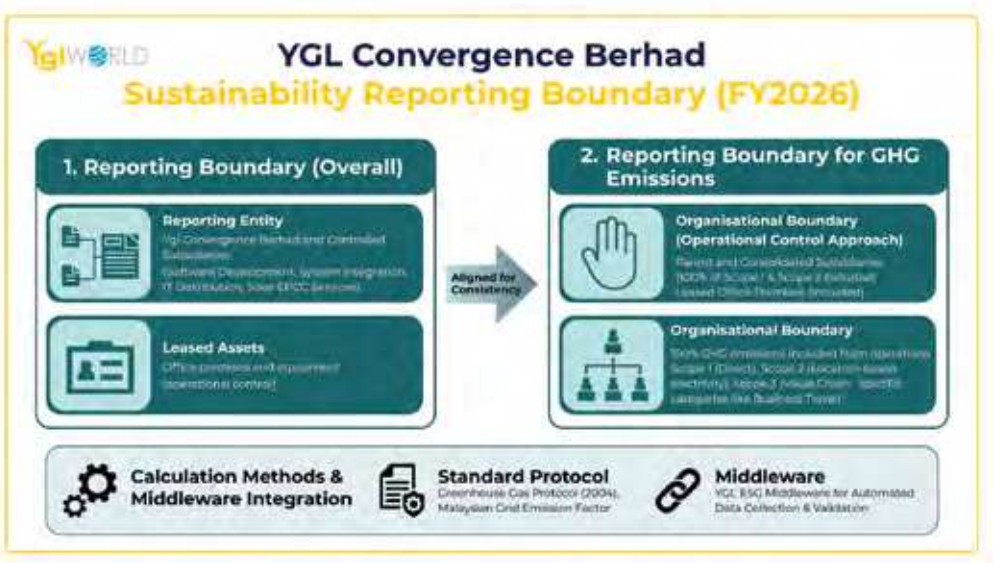
d. Data limitations and continuous improvement

IFRS S1.B38

Where data limitations exist, particularly in relation to indirect value chain (Scope 3) impacts, the Group adopts a best-effort approach using all reasonable and supportable information available at the reporting date without undue cost or effort. The Group continues to enhance its data collection systems and processes to improve the completeness, accuracy and reliability of sustainability-related information over time. The reporting boundary for the current period includes all operational activities under the Group's direct control (software development and implementation, system integration, and solar EPCC projects), corporate functions such as governance, finance and administration, and the upstream and downstream value chain activities where sustainability-related risks and opportunities are financially material.

3.2 Reporting Boundary for GHG Emissions (Cont'd)

d. Data limitations and continuous improvement (Cont'd)



4. JUDGEMENTS AND MEASUREMENT UNCERTAINTIES

IFRS S1.74, IFRS s1.75

In preparing this Sustainability Statement, Management has exercised significant judgement in various areas, particularly in identifying sustainability-related risks and opportunities, determining material topics, and assessing the relevance of information disclosed. These judgements are essential to ensure that the sustainability information presented accurately reflects the Company's impacts, risks, opportunities, and performance.

The preparation of this Statement also requires the use of estimates and assumptions for certain sustainability-related information that cannot be measured directly. Estimation techniques have been applied where data is unavailable, incomplete, or relates to entities within the value chain for which direct measurement is impracticable. Such estimates are based on the best available information, reasonable assumptions, and established methodologies at the reporting date.

This section outlines the key judgements made by Management in the preparation of this Sustainability Statement, together with areas where reported information is subject to a higher degree of measurement uncertainty. Where applicable, the nature of the judgement exercised, the assumptions adopted, and the sources of estimation uncertainty are disclosed to provide transparency and assist stakeholders in understanding the basis of the reported information.

4.1 Significant judgements

	Description
Materiality Process	Management applied significant judgement in identifying the sustainability-related risks and opportunities that are relevant to the Group, and the material information to be disclosed in relation to those risks and opportunities. The assessment considered the Group's enterprise software, ERP implementation and Industry 4.0 solution activities and the matters that could reasonably be expected to affect the Group's cash flows, access to financing or cost of capital over the short, medium and long term, as well as influence the decisions of investors, lenders and other primary users. Judgement was also applied in determining which disclosure topics and metrics in the SASB Software & IT Services industry standard are applicable to the Group, and in aligning disclosures with Bursa Securities' NSRF requirements.
Organisational boundary for GHG emissions	The Group has applied the operational control approach under the GHG Protocol to determine its organisational boundary for the reporting of GHG emissions. This approach requires Management to identify the entities, offices and operations over which the Group has full authority to introduce and implement operating policies, including its head office in Penang and its branch and subsidiary operations in Malaysia and overseas. Both the selection of the operational control approach and the identification of operations within that boundary involve significant judgement.
Calculation methods for GHG emissions	Management applied judgement in selecting the calculation methods and emission factors used to quantify the Group's GHG emissions. Scope 2 emissions are calculated using the location-based method applying the latest published Malaysian grid emission factor for purchased electricity, which is the Group's principal source of emissions as a software and services business. For Scope 3 categories (principally business travel, employee commuting, purchased goods and services, and use of cloud/data-centre services), judgement was applied in determining the most appropriate estimation method for each category based on the availability and quality of data, prioritising supplier-specific or activity-based data where available and applying spend-based estimates otherwise.

4.2 Changes in Estimates

IFRS S1.85, IFRS S1.B50

A change in estimate arises when an estimate disclosed in a preceding reporting period is revised because new information becomes available that provides evidence of circumstances that existed in that period. In accordance with IFRS S1, where a comparative amount is revised to reflect such updated information, the Group will disclose the revised comparative amount, the difference between the previously reported amount and the revised amount, and the reason for the revision, unless it is impracticable to do so.

As FY2026 is the first annual reporting period in which the Group has prepared its Sustainability Statement in accordance with the IFRS Sustainability Disclosure Standards as adopted under Bursa Securities' NSRF, the Group has applied the transition relief from presenting comparative information.



The Group will apply this policy to comparative information disclosed in future reporting periods.



5. MATERIALITY ASSESSMENT

IFRS S1.44(a)(vi), 44(b); IFRS S1.B13–B28

FY2026 is the first year in which Ygl has prepared its Sustainability Statement in accordance with the IFRS Sustainability Disclosure Standards. Although the Company is listed on the ACE Market of Bursa Securities and is not yet mandated to apply these standards, it has voluntarily adopted IFRS S1 and IFRS S2 ahead of the regulatory timeline. Accordingly, a structured and robust materiality assessment was performed to identify the sustainability-related risks and opportunities that are relevant to the Group. While this is the Group's first materiality assessment under the IFRS framework, sustainability-related risks have, in prior years, already been considered as part of the Group's enterprise risk management (ERM) processes.

The materiality assessment was performed by Management through the Sustainability Committee Working Group (see the Sustainability Governance section), with input from other Management across the Group's business units as well as external advisers. The outcome of the process was reviewed, validated and approved by the Board of Directors (the "Board").

A two-step materiality process was followed:

Step 1:
Identify sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects over the short, medium and long term.

Step 2:
Identify material information – the disclosures needed in relation to the sustainability-related risks and opportunities identified.

The aim of this process was to identify information about sustainability-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, its access to financing or cost of capital, and that could influence the decisions of the primary users of general purpose financial reports. In making this assessment, Management focused specifically on existing and potential investors, lenders and other creditors.

The Group finalised its materiality assessment, including the identification of risks and opportunities, at the end of the FY2026 reporting period. Any events or changes that occurred during the period had already been considered as part of the materiality determination process. As part of the FY2026 review, the Group reassessed the fourteen material matters identified in FY2025 and concluded that thirteen remain relevant and aligned with both stakeholder expectations and the Group's strategic objectives. The "supply chain management" matter was assessed as no longer separately material – principally because procurement of the Group's hardware, cloud and solar components is concentrated among a limited number of established partners and the related risks are now addressed within other material matters – and it has therefore been removed.



5. MATERIALITY ASSESSMENT (CONT'D)

IFRS S1.B11

The process of identifying and assessing sustainability-related risks and opportunities is not a one-off activity. The Group reassesses its risks and opportunities across its value chain on the occurrence of a significant event or significant change in circumstances, and will continue to enhance the materiality process in future reporting periods.

IFRS S1.B6

In performing the assessment, the Group used all reasonable and supportable information available to it at the reporting date without undue cost or effort.

5.1 Step 1: Identification of sustainability-related risks and opportunities

IFRS S1.B2–B5

The Group followed a systematic approach, drawing on a range of internal and external sources, to identify its sustainability-related risks and opportunities. The Group considered its own activities together with activities in its upstream and downstream value chain (see the Overview of the Group and Value Chain section).

5.2 Step 2: Identification of material information

IFRS S1.B28; IFRS S1.44(a)(iii); IFRS S2.25(a)(iii)

Once the sustainability-related risks and opportunities had been identified, the second step was to determine the material information to be disclosed in relation to each matter. The Group considered whether information is material in the context of its sustainability reporting as a whole, taking into account both qualitative and quantitative characteristics. The judgements applied in identifying material information will be reassessed at each reporting date.

5.3 Outcome of the process

IFRS S1.30(a); IFRS S2.10(a)

The Group evaluated each sustainability topic against two dimensions: the significance of its impact on the Group's business operations and long-term value creation, and its level of importance to stakeholders. The outcome is presented in the materiality matrix, which prioritises each material matter according to its relative significance to the Group and its stakeholders and serves as a key reference for allocating resources and shaping disclosures.

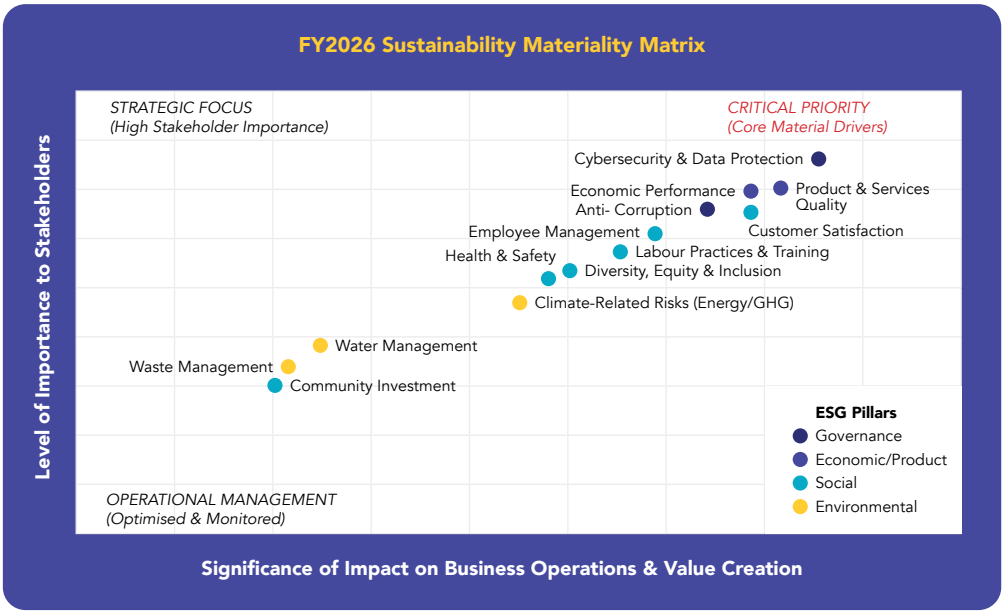


5.3 Outcome of the process (Cont'd)

Following the FY2026 review and validation by Management and the Board, the Group reaffirmed the following thirteen material matters across its Economic, Environmental, Social and Governance (EESG) priorities:

Material Matter	Risk Response / Mitigation Actions
Economic Performance	The total financial value created by the Group and shared among its various stakeholder groups.
Anti-Corruption	Advancing a culture of integrity and transparency by prohibiting all bribery and corrupt practices; zero corruption cases were reported in FY2026.
Health & Safety	Cultivating a robust safety-first mindset and a supportive workplace that strengthens staff wellbeing, productivity and corporate reputation.
Cybersecurity & Data Protection	The organisation protects against digital threats by safeguarding confidential client data, preventing unauthorised access, and securing ERP systems. Measures include firewalls for network protection, anti-virus software on staff computers, restricted access to the locked server room, and ongoing cybersecurity awareness training for IT staff to strengthen overall information security.
Customer Satisfaction	Maintaining consistent communication with clients to drive ongoing service enhancements aligned with their needs.
Employee Management	Attracting and retaining skilled professionals while continually improving the collective effectiveness of the team.
Energy & Fuel Efficiency	Lowering energy consumption and greenhouse gas emissions through improved utilisation and the integration of renewable energy alternatives.
Diversity, Equity & Inclusion	Ensuring all employees are treated with respect and fairness, and prohibiting bias related to background, identity or ability.
Community / Society	Funding educational and social programmes designed to uplift the wellbeing of the local community.
Waste Management	Reducing waste generation by prioritising recycling and ensuring correct and responsible disposal.
Water Management	Managing water consumption through active tracking and oversight.
Product & Services Quality	A steadfast focus on high standards to deliver innovative technology solutions that ensure client satisfaction.
Technology, Innovation & Development	Harnessing technological advancement to drive creative breakthroughs and improve the efficiency of business processes.

5.3 Outcome of the process (Cont'd)



The principal sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects, together with the Group's management approach and the location of the detailed disclosures, are summarised below:

Risk / opportunity identified	Summary of management approach	Affected component of the reporting boundary	Note reference
Environmental Climate-related transition risk (regulatory change and rising energy costs) and physical risk (extreme weather events), which could increase operating costs and disrupt service delivery and customer operations.	Energy efficiency programme; phased renewable energy adoption; digitalisation of ESG compliance; and business continuity and disaster recovery arrangements.	Own operations and value chain (upstream suppliers and downstream customers).	Note 7
Social Human capital risk – the attraction, development and retention of a specialised, highly skilled technology workforce – which could constrain delivery capacity and innovation.	Structured development and training; performance-based rewards; retention and internal mobility; and engagement, wellbeing and an inclusive culture.	Own operations (own workforce).	Note 8
Governance Product and service quality risk – defects or reliability failures in mission-critical solutions could erode customer confidence, revenue and reputation.	Rigorous testing and validation; sustainable product development; customer-centric innovation; and QA and cybersecurity controls.	Own operations and upstream value chain.	Note 9

5.4 Interaction with material information in the financial statements

IFRS S1.B40(c)

Sustainability reporting includes within its scope the effects of risks that might not yet be captured in the financial statements. As a result, the Group may conclude that certain information is material in the context of its sustainability reporting even where that information would not be material to the financial statements – principally because of risks and opportunities arising in the value chain and the forward-looking nature of sustainability disclosures. For example, the Group's commitment to progress toward net-zero operational emissions by 2050 does not meet the definition of a provision under the applicable accounting standards and is therefore not recognised in the Group's financial statements.

6. SUSTAINABILITY GOVERNANCE

IFRS S1.27(a)(i)–(v), 27(b)(i)–(ii); IFRS S2.6(a)(i)–(v), 6(b)(i)–(ii)



Governance Diagram

BOARD OF DIRECTORS

- Provides guidance on key economic, business, environmental, and social issues.
- Integrates sustainability practices into critical decision-making processes and implements.
- Approves the sustainability and risk management framework.

SUSTAINABILITY COMMITTEE WORKING GROUP

- Executes and monitors ESG initiatives.
- Provides technical expertise and reporting support.

MANAGEMENT TEAM

- Implements sustainability policies and initiatives.

EMPLOYEES	• Educational workshops. • Adherence to sustainability policies.
CUSTOMERS	• Engagement & feedback. • Promotion of sustainable solutions.
SUPPLIERS & BUSINESS PARTNERS	• Partnership & collaboration on ESG practices. • Sustainability expectations in procurement.
COMMUNITY	• Community outreach programs. • Environmental and social initiatives.

ENGAGEMENT WITH ALL STAKEHOLDERS

6. SUSTAINABILITY GOVERNANCE (CONT'D)

The Group recognises that effective sustainability governance requires clear oversight, well-defined responsibilities and robust processes to ensure that sustainability-related risks and opportunities are appropriately identified, monitored and managed. The Group has integrated sustainability into its overall corporate governance framework through a two-tier structure: board-level oversight exercised by the Board, supported by its relevant Board committees, and management-level execution led by the Sustainability Committee Working Group. An overview of the Group's sustainability governance structure is set out below.

Governance tier	Body	Key sustainability responsibility
Board oversight	Board of Directors (supported by its Board committees)	Ultimate accountability for sustainability strategic direction; approval of the sustainability strategy, targets, policies and the Sustainability Statement; oversight of sustainability-related risks, opportunities and disclosures.
Management and execution	Sustainability Committee Working Group (cross-divisional)	Operationalises the sustainability strategy; monitors ESG performance and progress against targets; engages stakeholders; drives continuous improvement; and reports to the Board.

6.1 Board oversight

IFRS S1.27(a)(i)–(iv); IFRS S2.6(a)(i)–(iv)

The Board holds ultimate accountability for the Group's strategic direction on sustainability, including oversight of sustainability-related risks and opportunities across environmental, social and governance (ESG) matters, as well as climate-related matters. In discharging this responsibility, the Board:

- provides guidance on key economic, business, environmental and social matters, and establishes and maintains appropriate governance structures, including clear roles, responsibilities and reporting lines for sustainability management across the organisation;
- ensures that sustainability considerations, including climate-related risks and opportunities, are integrated into the Group's corporate strategy, business planning, risk management and capital-allocation decisions, and approves the resources required for the effective management of sustainability initiatives;
- reviews the Group's sustainability performance – including ESG performance indicators, climate-related metrics, risk assessments and progress against targets – at intervals aligned with the Group's reporting cycles and strategic-planning timelines;
- assesses whether sustainability-related risks and opportunities have been appropriately considered in major investment, transaction and operational decisions, and evaluates the resilience of the Group's business model; and
- approves the Group's sustainability and risk-management framework and oversees the integrity of the Group's sustainability disclosures, ensuring that information reported to stakeholders is accurate, balanced and decision-useful.

To enable effective oversight, the Board is regularly informed by Management and by the Sustainability Committee Working Group, which provide insight into operational execution, implementation progress, emerging risks and stakeholder expectations. The Board uses these inputs to challenge Management where necessary, ensure accountability and guide strategic adjustments.

To ensure that the Board has the appropriate skills and competencies to oversee sustainability-related matters, Directors and senior personnel participate in sustainability and ESG capability-building – including educational workshops, briefings and external training on developments such as the IFRS Sustainability Disclosure Standards and Bursa Securities' NSRF.



6.2 Management's role in governance

IFRS S1.27(b)(i)(ii); IFRS S2.6(b)(i)(ii); IFRS S1.27(a)(v); IFRS S2.6(a)(v)

Management's role in assessing and managing sustainability-related risks and opportunities is embedded in the Sustainability Committee Working Group, which comprises leaders and members drawn from the Group's various business units and divisions. The Sustainability Committee Working Group supports the Board in discharging its sustainability oversight responsibilities by translating the Group's sustainability strategy into operational actions across all business units. Its responsibilities include:

- operationalising the Group's sustainability strategy, policies, controls and action plans, and coordinating sustainability initiatives across the Group's operational divisions
- monitoring and reporting sustainability performance by tracking key ESG indicators, evaluating progress against established targets, and ensuring the timely submission of relevant, decision-useful information to the Board
- engaging with internal and external stakeholders – including employees, suppliers, customers and local communities – to align ESG initiatives with stakeholder expectations
- driving continuous improvement by identifying opportunities to strengthen sustainability practices, enhance risk mitigation and improve alignment with global reporting frameworks

The Sustainability Committee Working Group convenes regular meetings to review ongoing initiatives, assess performance outcomes and deliberate on corrective actions, and reports regularly to the Board on sustainability-related performance, risks and opportunities. This ensures that sustainability governance remains dynamic, structured and outcome-oriented across the organisation.

6.3 Impact of sustainability on remuneration

IFRS S1.27(a)(v); IFRS S2.6(a)(v); IFRS S2.29(g)

The Group's remuneration approach is designed to reinforce accountability for sustainability outcomes. Performance against business objectives – which increasingly incorporate sustainability-related and ESG considerations – is assessed through the Group's standardised, Group-wide annual performance-appraisal framework, under which 100% of employees received a documented performance and career-development review during the year. Compensation, bonuses and career progression are linked to key performance indicators (KPIs) aligned with the Group's business and sustainability objectives.

As the Group has adopted the IFRS Sustainability Disclosure Standards for the first time in FY2026, the formal linkage between specific sustainability-related targets and executive remuneration is being progressively established. The Group intends to strengthen the integration of measurable sustainability-related targets into its performance-management and reward framework in future reporting periods, and to enhance the related disclosures accordingly. 5% of remuneration recognised in the current period that is link to the climate-related considerations.

6.4 Risk management

IFRS S1.27(a)(v); IFRS S2.6(a)(v); IFRS S1.44(b); IFRS S2.25(b); IFRS S2.29(g)

The Group identifies, assesses, prioritises and monitors its sustainability-related and climate-related risks through its Enterprise Risk Management (ERM) framework, applying the same disciplines used for the Group's wider enterprise risks. Sustainability-related risks are not managed on a separate track; they are embedded within the overall ERM framework, which is subject to Board oversight. The process incorporates both qualitative and quantitative factors and considers the nature, likelihood and magnitude of each risk. The principal stages are set out below.



Identification.
Sustainability-related risks and opportunities are identified through a structured review of the Group's own operations and its upstream and downstream value chain, drawing on a range of internal and external sources. Risks identified through this process are recorded in a sustainability and climate-related risk register and classified by category — spanning, among others, information security and data integrity, data privacy, human capital, product and service quality, operational and project delivery, climate-related transition and physical risk, supply chain, financial (credit, liquidity and market) and financial-reporting and tax matters — so that each can be owned, treated and tracked on a consistent basis.

Assessment and prioritisation.
Each risk in the register is assessed by combining the likelihood of the event occurring with the magnitude of its potential impact on the Group's cash flows, access to financing and cost of capital. Likelihood is graded on a five-point scale ranging from rare to almost certain, anchored to the expected frequency of occurrence (from approximately once in ten years to as often as daily), while impact is graded on a corresponding five-point scale assessed against defined financial, safety, operational and reputational criteria. The two dimensions are combined to derive an overall exposure rating for each risk, which is plotted on the Group's risk ratings (materiality) matrix. Where outcomes are uncertain, the Group considers a range of possible outcomes and assigns a likelihood to that range, attaching a higher likelihood to events similar to those experienced in the past. No fixed quantitative thresholds are applied; however, risks with a higher likelihood and/or magnitude are prioritised — taking into account potential financial impacts, operational disruptions and regulatory developments — and a response strategy of avoid, mitigate, transfer or accept is determined for each. Prioritised sustainability-related risks are then integrated into, and ranked alongside, the Group's other enterprise risks.

6.4 Risk management (Cont'd)

Monitoring and oversight.
Prioritised risks and opportunities are assigned to responsible owners and monitored individually against the metrics, targets and response actions for which responsibility has been allocated, with the status of each risk and its treatment tracked over time. Climate and ESG data are captured through the Group's ESG Middleware, which is integrated with the Ygl ERP system to enable automated data collection, validation and audit-ready reporting. The Sustainability Committee Working Group tracks performance and reports to the Board on a regular basis, and the consolidated sustainability-related risks and opportunities are presented to the Board for approval. This integration ensures that sustainability considerations inform the Group's overall risk governance, strategic planning and capital-allocation decisions. No material changes were made to these processes during the reporting period.

Further detail on the steps applied to identify the sustainability related risk matters are set out in the risk matrix below:

7. ENVIRONMENT RELATED RISK AND OPPORTUNITIES

IFRS S2.10(a)(b); IFRS S2.11; IFRS S2.13; IFRS S1.30(a)

Ygl and its subsidiaries operate in the Software & IT Services industry, aligned with the SASB Sustainability Accounting Standard for that sector. As a provider of enterprise software and digital transformation solutions — with key offerings in Enterprise Resource Planning (ERP), Warehouse Management Systems (WMS), smart manufacturing, ESG digital reporting and carbon accounting solutions, and renewable energy (solar) services across Malaysia — the Group's climate-related exposure arises predominantly from transition factors and climate-related business opportunities rather than direct physical risks.



Through the materiality assessment process described in this Statement, the Group has identified the climate-related risks and opportunities that could reasonably be expected to affect its prospects — including its cash flows, access to financing and cost of capital — over the short, medium and long term. The assessment considered historical developments, current market conditions, regulatory trends and anticipated future climate-related developments. Consistent with IFRS S2, the Group has defined and consistently applied the following time horizons:

Time horizon	Definition
Short term	1 – 2 years
Medium term	3 – 5 years
Long term	Beyond 5 years

The time horizons above reflect the Group's business and investment planning cycles and the pace of regulatory and technological change in the ESG software market. An organisation may define its own time horizons provided they are disclosed and consistently applied.

The climate-related risks and opportunities identified are summarised in the tables below and described in the notes that follow, together with the processes used to manage them and the related metrics and targets. Because the Group is a technology, software and solar company rather than a manufacturing company, its exposure consists predominantly of transition and reputational risks and climate-related business opportunities rather than physical risks.



7. ENVIRONMENT RELATED RISK AND OPPORTUNITIES (CONT'D)

Summary of climate-related risks identified

IFRS S2.10(a); IFRS S2.10(c)

Risk type	Description	Time horizon	Potential impact
Transition – Regulatory change	Expansion of climate disclosure requirements (ISSB / IFRS S2, Bursa Malaysia NSRF, EU CSRD and similar) may require continual enhancement of YGL's ESG software capabilities.	Short to medium	Increased development and compliance costs and resource requirements.
Transition – Technology obsolescence	Rapid advancement in AI, carbon accounting methodologies and sustainability reporting standards may render existing software features less competitive.	Short to medium	Loss of market share and reduced customer retention.
Transition – Market competition	Increasing number of ESG and carbon-accounting solution providers entering the market.	Short to medium	Pricing pressure and reduced margins.
Physical – Data-centre disruption	Extreme weather events may affect cloud hosting providers and business continuity.	Medium	Service interruption and customer dissatisfaction.
Physical – Supply-chain disruption	Climate-related disruptions affecting cloud infrastructure providers, telecommunications and technology partners.	Medium to long	Increased operational costs and implementation delays.
Reputational	Failure of ESG software outputs to meet evolving standards could affect client confidence.	Short to medium	Reduced customer trust and sales opportunities.

Summary of climate-related opportunities identified

IFRS S2.10(b); IFRS S2.10(c)

Opportunity type	Description	Time horizon	Potential impact
Products and services	Growing demand for carbon accounting, ESG reporting and IFRS S2 compliance solutions.	Short to long	Increased software subscription revenue.
Products and services – Scope 3 / PCAF	Expansion of Scope 3, PCAF financed-emissions and supply-chain reporting solutions.	Medium	New customer segments in the banking and manufacturing sectors.

7. ENVIRONMENT RELATED RISK AND OPPORTUNITIES (CONT'D)

Summary of climate-related opportunities identified (Cont'd)

Opportunity type	Description	Time horizon	Potential impact
Market opportunity	Organisations preparing for mandatory sustainability reporting require digital ESG solutions.	Short to medium	Higher implementation and consulting revenue.
Innovation – AI	AI-enabled ESG reporting, automated data collection and climate-risk analytics.	Medium	Competitive differentiation and improved profitability.
Strategic partnership	Collaboration with auditors, verification bodies, consultants and financial institutions.	Medium	Expanded market reach and recurring revenue streams.
New market – ASEAN	Regional expansion into ASEAN countries adopting IFRS Sustainability Standards.	Long	Long-term growth and diversification.

7.1 Climate-related Transition Risk: Regulatory Change and Rising Energy Costs

IFRS S2.13(a)(b); IFRS S2.10(c)(d)

a. Description

IFRS S2.13(a)

The Group has identified the evolving climate-related regulatory landscape in Malaysia and the wider region as a transition risk. This includes the implementation of Bursa Securities' NSRF, strengthened ESG disclosure obligations, prospective carbon-pricing mechanisms and rising electricity tariffs arising from energy-market reforms. The continual expansion of climate disclosure requirements (ISSB / IFRS S2, Bursa Securities, EU CSRD and similar) also drives ongoing enhancement of the Group's ESG software capabilities, increasing development and resource requirements. As Scope 2 emissions from purchased electricity represent the largest component of the Group's carbon footprint, increases in electricity costs and carbon-related levies would directly affect the Group's operating cost base.



This risk has been assessed as affecting the Group over the short, medium and long term.

7.1 Climate-related Transition Risk: Regulatory Change and Rising Energy Costs (Cont'd)

b. Effects on business model and value chain

IFRS S2.13(a); IFRS S1.32

The current effects of this risk on the Group's business model are not significant, given the asset-light nature of its software and services operations. However, without mitigating actions, the anticipated effects over the medium and long term include:

Higher compliance and operating costs:
increased sustainability reporting, assurance and data-management obligations, together with higher electricity tariffs and potential carbon-related charges, would raise the Group's cost of operations.

Customer expectations:
manufacturing and logistics customers, who are themselves subject to NSRF and supply-chain decarbonisation requirements, increasingly expect technology partners to demonstrate credible ESG performance. Failure to do so could affect the Group's ability to win and retain contracts.

Upstream value-chain exposure:
suppliers of hardware, cloud infrastructure and solar photovoltaic components may pass through carbon-related cost increases, contributing to cost volatility in the Group's delivery model.

c. Effects on strategy and decision-making

IFRS S2.14(a)(c)

In response to this risk, Management has integrated the following actions into the Group's strategy:

Energy efficiency programme:
adoption of LED lighting, optimisation of HVAC systems and green-office initiatives across the Group's facilities to reduce electricity consumption and exposure to tariff increases.

Renewable energy transition:
evaluation and phased adoption of solar photovoltaic systems at selected facilities to reduce dependency on grid electricity and lower Scope 2 emissions.

Digitalisation of ESG compliance:
deployment of the Group's own ESG Middleware, integrated with the YGL ERP system, to automate emissions data collection and reduce the incremental cost of meeting expanding disclosure obligations.

These plans were initiated during the current reporting year. Accordingly, quantitative and qualitative information about progress against plans disclosed in previous reporting periods is not yet available.

7.1 Climate-related Transition Risk: Regulatory Change and Rising Energy Costs (Cont'd)

d. Financial effects

IFRS S2.15; IFRS S2.16(a)–(d)

Current financial effects. The transition risk has not resulted in material financial effects on the Group's financial position, financial performance or cash flows in the current reporting year. Costs incurred to date relate primarily to the preparation of NSRF-aligned sustainability disclosures and energy-efficiency measures, which were absorbed within normal operating expenditure.

Anticipated financial effects. Over the medium and long term, anticipated financial effects could arise from higher electricity costs, potential carbon-related levies and increased compliance expenditure, which might reduce operating margins and raise the cost of delivering ESG reporting solutions where such costs cannot be passed on to customers. Conversely, planned energy-efficiency measures and solar adoption are expected to reduce electricity expenses over time. Given the wide range of possible regulatory outcomes, the Group has concluded that it is not yet practicable to provide reliable quantitative estimates of the anticipated financial effects of this risk, and qualitative information has been provided instead. Based on current projections, management does not expect a material adjustment to the carrying amounts of reported assets and liabilities within the next 12 months.

7.2 Climate-related Physical Risks and Other Transition Risks

IFRS S2.13(a)(b); IFRS S2.10(c)(d)

a. Description

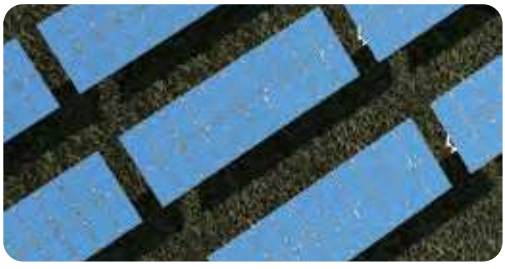
IFRS S2.13(a)

Beyond the regulatory and energy-cost transition risk described in note 7.1, the Group has identified a further set of transition, reputational and physical risks arising from its position as a technology, software and solar solutions provider. These were identified through internal reviews, regulatory monitoring, benchmarking against industry practices and stakeholder engagement.

Other transition risks. The ESG and carbon-accounting software market is characterised by rapid technological change and intensifying competition. Advances in artificial intelligence, carbon accounting methodologies and sustainability reporting standards could render existing software features less competitive (technology obsolescence), while the entry of an increasing number of ESG and carbon-accounting solution providers could create pricing pressure on the Group's offerings (market competition). Both risks are assessed as relevant over the short to medium term.

Reputational risk. As a provider of ESG and carbon-accounting software, the credibility of the Group's solutions depends on their alignment with evolving reporting standards. A failure of the Group's ESG software outputs to keep pace with regulatory and framework developments could affect client confidence and reduce sales opportunities, and is assessed as a short-to-medium-term reputational risk.

Physical risks. Although the Group's asset-light, cloud-based operating model limits its direct exposure to physical climate hazards, extreme weather events could disrupt the third-party cloud-hosting providers on which its solutions depend (data-centre disruption, assessed over the medium term). Climate-related disruption affecting cloud-infrastructure providers, telecommunications networks and technology partners could also increase operational costs and delay on-site ERP and solar implementation projects (supply-chain disruption, assessed over the medium to long term).



7.2 Climate-related Physical Risks and Other Transition Risks (Cont'd)

b. Effects on business model and value chain

IFRS S2.13(a); IFRS S1.32

The current effects of these risks on the Group's business model are not significant. Without mitigating and adaptation actions, however, the anticipated effects over the medium and long term include: erosion of competitive position and customer retention if the Group's software does not keep pace with technological and regulatory change; margin pressure arising from heightened competition; and, in the event of physical disruption, temporary interruption of service delivery and support operations, damage to physical IT assets, delays in on-site ERP and solar implementation projects, and reduced demand from affected customers. The Group's exposure to physical disruption is partially mitigated by the cloud-based and remote-deliverable nature of a substantial portion of its solutions.

c. Effects on strategy and decision-making

IFRS S2.14(a)(c)

In response to these risks, the Group has integrated the following actions into its strategy: continual investment in research and development to keep its ESG Middleware, carbon-accounting and NERVO AI analytics capabilities aligned with the latest AI techniques, carbon accounting methodologies and IFRS S2 and other reporting frameworks; differentiation through AI-enabled features and integration with the Group's ERP ecosystem to defend against competition; and maintenance of structured data-backup procedures, disaster-recovery plans and business-continuity protocols. Remote-working capabilities and cloud-hosted infrastructure further reduce dependence on any single physical location and enable rapid recovery of critical systems and continued service to customers in the event of a physical disruption. These plans were progressed during the current reporting year; accordingly, quantitative and qualitative information about progress against plans disclosed in previous reporting periods is not yet available.

d. Financial effects

IFRS S2.15; IFRS S2.16(a)–(d)

Current financial effects. No material financial effects arising from these risks — including from extreme weather events affecting cloud infrastructure — were experienced in the current reporting year.

Anticipated financial effects. Over the medium and long term, anticipated financial effects could include increased research and development expenditure to maintain competitiveness, pricing and margin pressure from competition, incremental costs of business-continuity measures, repair or replacement of IT assets, and revenue deferral arising from delayed project implementation. The Group has concluded that quantitative estimation of these anticipated effects is not practicable at this stage, given the inherent uncertainty over the timing, location and severity of physical events and the pace of technological and competitive change; qualitative information has therefore been provided.



7.2 Climate-related Physical Risks and Other Transition Risks (Cont'd)

e. Climate resilience

IFRS S2.22(a)(b)

The Group has assessed the resilience of its strategy and business model to climate-related changes using a qualitative assessment. As an information technology, software and services company, the Group operates an asset-light, predominantly cloud-based business model with limited direct exposure to physical climate hazards. Its principal climate-related exposures are transition and reputational in nature — arising from regulatory change, technological developments and market competition — rather than physical. On this basis, the Group has determined that it is not necessary to perform a quantitative climate-related scenario analysis to assess the resilience of its strategy, and that a qualitative assessment is commensurate with the nature, scale and complexity of its climate-related risks, consistent with the proportionality provisions of IFRS S2.

The qualitative assessment considered a range of plausible outcomes — including more stringent sustainability reporting requirements, faster technological change and a higher frequency of extreme weather events affecting third-party cloud infrastructure — and concluded that the Group's current strategy, anchored in energy efficiency, renewable-energy adoption, business-continuity and disaster-recovery arrangements, and continued growth in ESG-enabled digital solutions, provides the Group with the capacity to adjust and adapt. The Group's low capital intensity, flexible cost structure and internally generated funds provide financial flexibility to respond should more severe outcomes materialise. The Group will keep the appropriateness of this qualitative approach under periodic review and would consider adopting quantitative scenario analysis only if a material change in its risk profile, business activities or regulatory obligations were to make such analysis relevant.



7.3 Climate-related Opportunity: ESG-enabled Digital Solutions, AI and Renewable Energy

IFRS S2.13(a)(b); IFRS S2.14(a)

The transition to a low-carbon economy presents significant strategic opportunities for the Group, which are assessed as among the most significant climate-related matters affecting its prospects:

ESG-integrated enterprise solutions (short to long term):
rising demand for carbon tracking, e-Invoice, AI-driven analytics and sustainability-reporting functionality embedded within ERP systems is creating new subscription-revenue potential. The Group's ESG Middleware, NERVO AI Analytics and carbon-management tools position it to capture this demand from customers subject to NSRF and supply-chain decarbonisation requirements. Phase 1 of the Group's Carbon Emission Middleware was completed in July 2025, providing the ability to track and calculate Scope 1, Scope 2 and Scope 3 emissions.

Innovation through AI (medium term):
AI-enabled ESG reporting, automated data collection and climate-risk analytics provide a source of competitive differentiation and improved profitability.

Strategic partnerships (medium term):
collaboration with auditors, verification bodies, consultants and financial institutions is expected to expand the Group's market reach and generate recurring revenue streams.

Regional expansion (long term):
expansion into ASEAN countries adopting IFRS Sustainability Standards supports the Group's long-term growth and diversification.



Scope 3, PCAF and supply-chain reporting (medium term):
the expansion of Scope 3, PCAF financed-emissions and supply-chain reporting solutions is expected to open new customer segments in the banking and manufacturing sectors.

Market and implementation demand (short to medium term):
organisations preparing for mandatory sustainability reporting increasingly require digital ESG solutions, generating higher implementation and consulting revenue.



Renewable energy business (short to long term):
the Group is expanding its presence in the commercial and industrial solar segment, providing customers with solutions that reduce their Scope 2 emissions while generating a new income stream for the Group.

Avoided emissions in the value chain:
the Group's solutions enable customers to reduce emissions through solar installations and improved operational efficiency. These avoided emissions form part of the Group's broader contribution to a low-carbon economy, and are described separately from the Group's own Scope 1, 2 and 3 emissions.

The Group's climate strategy is structured across its three time horizons: in the short term (0–2 years), establishing a comprehensive GHG emissions baseline, improving energy efficiency and enhancing ESG capabilities within its software solutions; in the medium term (3–5 years), scaling solar-energy adoption, broadening ESG software deployment and integrating artificial intelligence into sustainability analytics; and in the long term (beyond 5 years), developing a low-carbon digital ecosystem, strengthening its position as a leading ESG technology provider in the ASEAN region and progressing toward net-zero operational emissions.

7.4 Processes, Controls and Policies to Manage Climate-related Risks and Opportunities

IFRS S2.25(a)(b); IFRS S1.44

The overall process followed to identify, assess, prioritise and monitor climate-related risks and opportunities forms part of the Group's Enterprise Risk Management (ERM) framework described in the Sustainability Governance and Risk Management sections of this Statement. Climate-related risks are identified through internal reviews, stakeholder engagement, regulatory monitoring and benchmarking against industry practices, and are assessed based on their likelihood and the magnitude of their potential financial, operational, regulatory and reputational effects.

Climate-related risks are integrated into, and prioritised alongside, the Group's other enterprise risks, and are monitored continuously by the Sustainability Committee Working Group, which reports regularly to the Board. Energy consumption and emissions data are captured through the Group's ESG Middleware, which is integrated with the YGL ERP system, enabling automated data collection, validation and audit-ready reporting. The Group does not currently use quantitative scenario analysis to inform its identification of climate-related risks; a qualitative approach is applied, as described in note 7.2(e). No changes to these processes occurred during the current reporting period.

7.5 Metrics and Targets

IFRS S2.27–29 (cross-industry metrics); IFRS S2.33–35; IFRS S2.36–37; Bursa C4(a), C11(a)–(c)



Greenhouse gas emissions

IFRS S2.29(a)

The Group measures its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), as required by IFRS S2, applying the operational control approach to determine its organisational boundary. For the current financial year, the Group recorded total GHG emissions of 98.0222 tCO_2e, comprising Scope 1 emissions (direct emissions from sources controlled by the Group) of 7.5958 tCO_2e, Scope 2 emissions (primarily purchased electricity, location-based) of 48.0364 tCO_2e, and Scope 3 emissions of 42.39 tCO_2e, which currently cover business travel and employee commuting only. The Group's GHG emissions performance against the Bursa Securities common sustainability indicators is summarised below:

Indicator	Unit	FY2025	FY2026
Bursa C4(a) Total energy consumption	Gigajoules	1,087.68	**1,023.59**
Bursa C11(a) Scope 1 emissions	tCO_2e	8.7247	**7.5958**
Bursa C11(b) Scope 2 emissions	tCO_2e	44.82	**48.0364**
Bursa C11(c) Scope 3 emissions (business travel and employee commuting)	tCO_2e	88.03	**42.39**
Total GHG emissions (Scope 1 + 2 + 3)	**tCO_2e**	**141.5747**	**98.0222**



7.5 Metrics and Targets (Cont'd)

Targets

IFRS S2.33(a)–(g); IFRS S2.34

The Group has set the following targets over the short, medium and long term related to its climate-related risks and opportunities. These targets are voluntary and have been developed by the Group:

Climate-related risk / opportunity	Description of target	Short term (0–2 yrs)	Medium term (3–5 yrs)	Long term (>5 yrs)
Rising energy costs – Scope 2 emissions exposure	Improve energy efficiency and reduce electricity-consumption intensity across operations	Establish FY2026 baseline; implement efficiency measures	Year-on-year reduction in electricity intensity	Sustained reduction aligned with decarbonisation pathway
Transition to renewable energy	Adoption of solar photovoltaic systems at selected facilities to reduce grid dependency	Complete feasibility evaluation	Implement solar PV at selected facilities	Increase share of renewable energy in total consumption
Decarbonisation of operations	Progress toward a net-zero aligned operational model	Comprehensive GHG baseline and data-quality enhancement	Expand Scope 3 measurement coverage	Net-zero aligned operational emissions

The targets and metrics above have been developed by the Group to measure the progress of its mitigation of climate-related risks and the pursuit of climate-related opportunities over the short, medium and long term. The targets, metrics and methodologies have not been validated by a third party. As this is the first year of establishing targets under the IFRS Sustainability Disclosure Standards, FY2026 will be used by the Group as the baseline against which progress will be measured in future reporting periods.

8. SOCIAL-RELATED RISK AND OPPORTUNITIES

IFRS S1.30(a); IFRS S1.32–35



As an enterprise software and digital transformation solutions provider, the value that Ygl creates for its stakeholders depends fundamentally on its people. Through the materiality assessment process described in this Statement, the Group has identified human capital – in particular the attraction, development and retention of a specialised, highly skilled technology workforce – as the principal social-related risk and opportunity that could reasonably be expected to affect the Group's cash flows, access to financing or cost of capital over the short term (1–2 years), medium term (3–5 years) and long term (beyond 5 years). The Group's related disclosures on employee well-being, health and safety, diversity, equity and inclusion, and community investment are also presented in this section.

8.1 Human Capital Risk: Talent Attraction, Retention and Skills Shortage

IFRS S1.30; IFRS S1.32(a)(b)



a. Description

IFRS S1.30

The Group's business model relies on a specialised workforce with expertise in ERP implementation, software development, Artificial Intelligence (AI) programming, data analytics and ESG disciplines. The market for such skills in Malaysia and the wider region is highly competitive, and demand for AI and ESG-related competencies is rising rapidly. Failure to attract, develop and retain key technical talent – or to keep workforce skills current with technological change – could erode the Group's long-term prospects by constraining project delivery capacity, slowing product innovation and limiting the Group's ability to capture growth opportunities in ESG-enabled digital solutions. This risk has been identified at the own-workforce level.

b. Effects on business model and value chain

IFRS S1.32(a)(b)

Without mitigating actions, the anticipated effects of this risk on the Group's business model and value chain include:

Project delivery and customer relationships:
the departure of skilled employees might disrupt ongoing ERP, WMS and solar implementation projects, affecting delivery timelines, service quality and customer satisfaction, and thereby the Group's recurring revenue base.

Innovation capacity:
shortages in AI and ESG-related skills could slow the development of the Group's innovation pipeline, including ESG Middleware, NERVO AI Analytics and other next-generation solutions, limiting growth prospects in a rapidly evolving market.

Higher workforce costs:
intensifying competition for technology talent could increase recruitment and compensation costs, placing pressure on operating margins.

Conversely, the Group views workforce capability as a strategic opportunity: a future-ready workforce skilled in AI and ESG positions Ygl to better understand and serve the needs of its customer base, accelerate innovation and strengthen its competitiveness as a technology-driven sustainability solutions provider.

8.1 Human Capital Risk: Talent Attraction, Retention and Skills Shortage (Cont'd)

c. Effects on strategy and decision-making

IFRS S1.33; IFRS S1.40(a)(b)

To address the human capital risk, the Group has embedded a structured talent and workforce strategy into its overall business strategy, anchored on four pillars:

Structured development:
a continuous learning framework covering ERP, digitalisation, ESG competencies and leadership development. In the current year the Group prioritised training in high-demand areas such as AI coding and data structures, and collaborated with the Northern Corridor Economic Region (NCER) to deliver intensive AI training of 80 hours per participating programmer, covering practical areas such as database development, retrieval-augmented generation (RAG) chatbot development and AI-assisted coding tools.

Performance-based rewards:
a transparent, performance-driven reward system in which compensation, bonuses and career progression are linked to KPIs aligned with business and sustainability objectives. 100% of employees received regular performance and career development reviews during the year through a standardised Group-wide appraisal framework.

Retention and internal mobility:
structured career pathways, succession planning and internal mobility across departments and subsidiaries, supported by monitoring of workforce data to identify retention risks early.

Engagement, well-being and inclusive culture:
comprehensive employee benefits (including medical coverage, flexible work arrangements and structured parental leave), engagement and wellness initiatives, and a merit-based, bias-free recruitment approach guided by the Group's Recruitment Policy and Procedures.

In establishing this strategy, Management considered trade-offs, including the near-term cost of expanded training programmes and competitive compensation against the benefits of stronger delivery capability, lower turnover and enhanced innovation. Management believes the expected benefits substantially outweigh these costs.

d. Financial effects

IFRS S1.34–37; IFRS S1.38(b)

Current financial effects. The human capital risk has not resulted in material adverse financial effects in the current reporting year. Costs incurred relate to training and development programmes, employee benefits and engagement initiatives, which are absorbed within normal operating expenditure and are viewed by Management as investments in long-term capability.

Anticipated financial effects. The Group has concluded that it is not practicable to provide reliable quantitative information on the anticipated financial effects of this risk, given the wide range of intangible factors involved; qualitative information has been provided instead. From a qualitative perspective, the asset most exposed to this risk is the Group's internally generated intellectual capital and brand, which are not recognised as assets under the applicable accounting standards. Unmitigated, elevated attrition could reduce revenue through delayed project delivery and increase operating costs through higher recruitment and replacement expenditure over the medium and long term. Based on current assessments, Management does not expect a material adjustment to the carrying amounts of reported assets and liabilities within the next 12 months.

8.1 Human Capital Risk: Talent Attraction, Retention and Skills Shortage (Cont'd)

e. Resilience of the Group's strategy and business model

IFRS S1.41

The Group monitors leading indicators of human capital risk – including retention, turnover, training participation and engagement – against the targets set out in note 8.6. If the Group fails to meet a workforce-related target, Management will reassess its recruitment, development and retention approach, strengthen succession coverage for key roles, and where necessary recalibrate reward structures to remain competitive in the talent market. The Group's established partnerships with universities, vocational institutions, government agencies and industry training providers give it the capacity to scale capability-building rapidly if skills gaps widen.

8.2 Employee Well-being, Health and Safety

IFRS S1.30; IFRS S1.33

The Group is committed to provide a safe, healthy and supportive working environment for all employees, recognising that occupational health, safety and well-being are fundamental to workforce productivity and business resilience. Given the office-based nature of the Group's operations, the inherent level of occupational safety risk is low; nevertheless, safety considerations are embedded into daily operations through structured policies, standard operating procedures and internal controls.

Workplace hazards are systematically identified, assessed and mitigated through the Group's risk management framework. Key measures include periodic internal safety inspections by cross-functional teams, emergency preparedness programmes including fire drills and evacuation exercises, clear incident reporting channels with timely corrective action, and ongoing safety awareness training that fosters a safety-first culture in which employees take personal responsibility for workplace safety. The Group complies with all applicable labour laws and occupational safety regulations in the jurisdictions in which it operates, and all personnel responsible for site security are trained on the application of human rights principles relevant to their roles. No work-related fatalities, high-consequence injuries or human rights-related complaints were recorded during the reporting year.

8.3 Diversity, Equity and Inclusion

IFRS S1.30; IFRS S1.33

The Group recognises diversity, equity and inclusion (DEI) as an important component of sustainable business performance. A diverse and inclusive workforce enhances innovation, strengthens decision-making and enables the Group to better understand the needs of a varied customer base across the markets in which it operates. Conversely, failure to maintain an inclusive and equitable workplace could negatively affect employee morale, talent retention, productivity and corporate reputation, compounding the human capital risk described in note 8.1.

The Group's approach is codified in its Employment and Recruitment Policies, which uphold non-discrimination and equal employment opportunity across the entire employee lifecycle. Decisions on hiring, training, promotion and compensation are based strictly on competence, performance and growth potential, and protected attributes – including race, national origin, religion, age, gender and disability – do not influence professional evaluations or rewards. Specific equity initiatives include the active recruitment and retention of employees with disabilities (supported by accessible workplace infrastructure), a compensation structure that maintains pay equity across genders, and equitable access to training and development opportunities. The Group is also a family-supportive employer, providing structured maternity and paternity leave with reintegration support, and achieved a 100% return-to-work and retention rate following parental leave during the year. Workforce composition is monitored against the indicators set out in note 8.6.

8.4 Community Investment and Social Impact

IFRS S1.33

The Group recognises that long-term business resilience is tied to the socio-economic well-being of the communities in which it operates, and that strong community relationships mitigate reputational risk and support a stable operating environment. Community engagement is driven by a dual-pronged strategy of direct corporate giving and stakeholder-led contributions, including the Group's flagship "Circle of Love" initiative, which aggregates small-scale contributions from staff and customers into community grants, and a culture of employee volunteerism encompassing non-monetary contributions such as food packs and personal time. During the reporting year, donation drives funded by the collective generosity of staff and customers supported organisations addressing education and healthcare, palliative and end-of-life care, social welfare and cultural preservation in the communities where the Group operates.

8.5 Processes, Controls and Policies to Manage Social-related Risks and Opportunities

IFRS S1.44(a)(i)(ii); IFRS S1.44(b)

The overall process followed to identify, assess, prioritise and monitor social-related risks and opportunities forms part of the Group's Enterprise Risk Management (ERM) framework described in the Sustainability Governance and Risk Management sections of this Statement. Human capital risks – including skills shortages, talent retention challenges, workforce inequality, inadequate succession planning and declining engagement – are periodically assessed by Management based on their likelihood and the magnitude of their potential operational, financial and reputational effects, and are reported to senior leadership and the Board.

Workforce data, including headcount, turnover, training participation, appraisal completion and diversity composition, is monitored regularly to identify emerging risks and measure the effectiveness of mitigation initiatives. Structured training needs assessments are used to identify skills gaps and design targeted upskilling and reskilling programmes. The Group does not use scenario analysis to inform its identification of social-related risks; given the qualitative characteristics of these risks, qualitative assessment criteria are applied. No changes to these processes occurred during the current reporting period.

8.6 Metrics and Targets

IFRS S1.45–47; IFRS S1.50(a)–(d); IFRS S1.51; Bursa C3, C5(a)–(c), C6(a)

The Group has set targets over the short, medium and long term related to its social-related risks and opportunities. These targets are voluntary, have been developed by the Group with reference to the disclosure topics in the SASB Software & IT Services industry standard, and are measured using the metrics set out below. The metrics have not been validated by a third party. Because this is the first year of establishing targets under the IFRS Sustainability Disclosure Standards, the current financial year will be used as the baseline against which progress will be measured in future reporting periods.



8.6 Metrics and Targets (Cont'd)

Human capital development and retention

Metric	Methodology	Actual – year 2026	Target
Average training hours per employee	Total training hours divided by total number of employees	43.9 hours	≥ 40 hours per year
Employees trained annually	Number of employees attending at least one training programme divided by total employees	68%	≥ 95%
Employees completing ESG-related training	Number of employees completing ESG training divided by total employees	27%	≥ 70%
Formal performance evaluation coverage	Employees receiving a documented appraisal divided by total employees	100%	100%
Employee retention rate	Employees remaining at year-end divided by headcount at start of year (adjusted for hires)	90%	≥ 90%
Voluntary turnover rate	Voluntary resignations divided by average headcount	12%	≤ 10%
Gender pay equity ratio	Average female remuneration divided by average male remuneration for comparable roles	0.93	Maintain within 0.95 – 1.05
Return to work after parental leave	Employees returning to work after parental leave divided by employees taking parental leave	100%	Maintain 100%



Health and safety

Indicator	Unit	FY2025	FY2026
Bursa C5(a) Number of work-related fatalities	Number	0	**0**
Bursa C5(b) Lost time incident rate	Rate	0	**0**
Bursa C5(c) Number of employees trained on health and safety standards	Number	1	**4**

No high-consequence work-related injuries were recorded during the year. Recordable work-related injuries were limited to minor incidents (minor lacerations and ergonomic-related discomfort), each addressed through corrective action and reinforcement of safe work practices.

8.6 Metrics and Targets (Cont'd)

Workforce diversity

Category	Group	Percentage of workforce – current year
Gender	Male	65%
	Female	35%
Age group	Under 30	35%
	30 – 50	49%
	Over 50	16%
Ethnicity	Group A (majority)	69%
	Group B (minority)	25%
	Others	6%

Diversity metrics are monitored with reference to the SASB Software & IT Services standard (TC-SI-330a.3), adapted to the Group's structure. The Group monitors workforce composition annually and uses this data to assess the effectiveness of its DEI initiatives and identify areas for improvement.

The targets and metrics above have been developed by the Group to measure the progress of its management of social-related risks and the pursuit of social-related opportunities over the short, medium and long term, and are reviewed periodically by the Sustainability Committee Working Group and reported to the Board.

	Unit	FY2025	FY2026	FY2027
Gender group by employee category				
Management - Male	Percentage	4	**10**	-
Management - Female	Percentage	2	**2**	-
Executive - Male	Percentage	6	**10**	-
Executive - Female	Percentage	2	**4**	-
Non-executive/Technical Staff - Male	Percentage	57	**45**	-
Non-executive/Technical Staff - Female	Percentage	29	**29**	-
General Workers - Male	Percentage	0	**0**	-
General Workers - Female	Percentage	0	**0**	-
Age group by employee category				
Management - Under 30	Percentage	0	**0**	-
Management - Between 30-50	Percentage	0	**4**	-
Management - Above 50	Percentage	6	**8**	-
Executive - Under 30	Percentage	0	**2**	-
Executive Between 30-50	Percentage	6	**8**	-
Executive Above 50	Percentage	2	**0**	-

8.6 Metrics and Targets (Cont'd)

Workforce diversity (Cont'd)

	Unit	FY2025	FY2026	FY2027
Age group by employee category (Cont'd)				
Non-executive/Technical Staff - Under 30	Percentage	35	**33**	-
Non-executive/Technical Staff - Between 30-50	Percentage	43	**37**	-
Non-executive/Technical Staff - Above 50	Percentage	8	**8**	-
General Workers - Under 30	Percentage	0	**0**	-
General Workers - Between 30-50	Percentage	0	**0**	-
General Workers - Above 50	Percentage	0	**0**	-
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	80	**80**	-
Female	Percentage	20	**20**	-
Under 30	Percentage	0	**0**	-
Between 30-50	Percentage	40	**20**	-
Above 50	Percentage	60	**80**	-
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4	**4**	-
Gender diversity – Male	Percentage	2	**2**	-
Gender diversity – Female	Percentage	2	**2**	-
Age diversity - Under 30	Percentage	0	**0**	-
Age diversity - Between 30-50	Percentage	2	**2**	-
Age diversity - Above 50	Percentage	2	**2**	-
Ethnic diversity - Bumiputera	Percentage	2	**2**	-
Ethnic diversity – Chinese	Percentage	2	**2**	-
Ethnic diversity – Indian	Percentage	0	**0**	-
Ethnic diversity – Others	Percentage	0	**0**	-

9. EMPLOYEE ENGAGEMENT



Promoting teamwork and a healthy lifestyle including playing the pickleball.

In 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.

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.

9.1 Employee Learning and Development

In FY2026, the Group continued to invest in enhancing the knowledge and capabilities of our employees in AI & ESG practices. These external training programs provide our team with technical expertise, regulatory awareness, and practical skills to meet evolving sustainability requirements, strengthen our AI & ESG reporting, and integrate best practices into our operations.

The following courses were attended:

Training Course	No of Hours	Key Learning Outcomes
25 Feb 2026 Case Study-Based Webinar: Sustainability-Related Risks and Opportunities	8	Enhanced understanding of sustainability-related risks and opportunities, enabling staff to support the Company's corporate sustainability reporting and IFRS Sustainability disclosure requirements.
Designing & Commissioning of Battery Energy Storage with Grid-Connected Photovoltaic System	21	Strengthened technical competencies in designing, commissioning and integrating Battery Energy Storage Systems (BESS) with grid-connected solar photovoltaic systems, including system optimisation, safety considerations and regulatory compliance.
OSH REGULATIONS 2024 – CONSTRUCTION WORK, DESIGN AND MANAGEMENT	7 hours 4 staff sent for training	Improved knowledge of the Occupational Safety and Health Regulations 2024, covering construction work, design responsibilities, risk management, legal compliance and workplace safety best practices.

9.1 Employee Learning and Development (Cont'd)

The following courses were attended: (Cont'd)

Training Course	No of Hours	Key Learning Outcomes
3 DAYS IN-HOUSE ARTIFICIAL INTELLIGENCE TRAINING – Trainer from Hong Kong	24 hours 23 staff sent for training	Developed practical AI skills for workplace productivity, including AI-assisted content creation, data analysis, workflow automation, prompt engineering and the responsible adoption of AI tools to enhance business operations and digital transformation initiatives.
DIGITAL SAFETY AND HARASSMENT PREVENTION	7 hours 3 staff attending the training	Enhanced awareness of digital safety and harassment prevention by strengthening employees' ability to identify cyber risks, recognise inappropriate online behaviour, practise safe digital communication, protect personal and company information, and respond appropriately to workplace harassment in both physical and digital environments while complying with organisational policies and legal requirements.

Seminars Marketing: Humphrey & Farah	No of Hours	Key Learning from industry experts
29th April 2026. SAMENTA Hyperlokal AI Fest 2026	3	Boost marketing & sales, Cut operational costs, Scale your business efficiently.
6th December 2025. SAMENTA SME AI Conference: Unlocking AI Power For SMEs	4	Building an AI-Ready Workforce & Sustainable Ecosystem, cutting edge demonstration and discuss on AI platforms.
17th November 2025. GEN-AI: AT Strategy PoC to Production for Leaders session by DELL Technologies	3	Valuable insights into leveraging Generative AI – from Proof of Concept to full-scale production.
12th November 2025. Advanced Electronic Packaging Consortium Workshop by Global Electronics Association (GEA)	7	Addressing integration challenges.
5th November 2025. Building Sustainable Supply Chains workshop by DIGITAL PENANG	3	Valuable insights into the evolving requirements of sustainable supply chain management.
3rd November 2025. Tech Up, Scale Up! Organised by SME Corp Malaysia	7	Exploring AI, automation and smart manufacturing technologies to accelerate digital adoption in Malaysia.
10th September 2025. DELL TECH FORUM MALAYSIA.	7	Exploring future enterprise solutions, smart technologies and digital transformation.
20th August 2025 Sustainability & ESG Enhancement Practices by HRD Corp Training	4	Practical steps for organisations to strengthen their sustainability journey.
30 June - 1 July 2025. AI for Business Excellence by MPC	14	Two-day workshop aimed to equip business leaders and professional with practical AI tools and strategies to enhance productivity, drive innovation, and improve operational efficiency.

9.1 Employee Learning and Development (Cont'd)



5 November 2025 — Ygl at "Building Sustainable Supply Chains" Workshop

Ygl continues its commitment toward advancing sustainability within Malaysia's business ecosystem. Today, our team—Humphrey Ho (Head of Marketing), Farah (Digital Marketing Strategist), and Yeap Kah Phaik (ESG Officer)—attended the Building Sustainable Supply Chains workshop organised by Digital Penang.

The session provided valuable insights into the evolving requirements of sustainable supply chain management, especially for businesses preparing for ESG-driven expectations from global partners. Our participation reflects Ygl's ongoing mission to support organisations in adopting smarter, greener, and more transparent operations.



20 August 2025 — HRD Corp Training Preview Series: Sustainability & ESG Enhancement Practices for Companies

HRD Corp Training Preview Series: Sustainability & ESG Enhancement Practices for Companies was held at HRD Corp's Penang office, focusing on practical steps for organisations to strengthen their sustainability journey.

During the session, the trainer guided participants through a structured, step-by-step approach to embedding sustainability into business and project management practices:

Identifying Material Matters –
Using the Framework for Sustainability in Project Management, participants learned how to determine key environmental, social, and governance (ESG) issues relevant to their organisation.

SWOT Analysis –
A strategic exercise was demonstrated to assess internal strengths and weaknesses while identifying external opportunities and threats in relation to sustainability practices.

Gap Analysis & Sustainability Action Plan –
The trainer explained how to evaluate current practices against best standards, identify gaps, and design actionable plans to close those gaps effectively.

Framework Alignment –
Guidance was provided on aligning corporate sustainability initiatives with globally recognised standards such as the Global Reporting Initiative (GRI) and the United Nations Global Compact (UNGC) principles, ensuring international compliance and credibility.

Integration Flowchart –
A practical flowchart was shared to illustrate how companies can systematically integrate sustainability into their operations across the three core pillars: People, Planet, and Economic Impact.

The preview session provided valuable insights for businesses to adopt structured ESG practices, ensuring that sustainability is not just a compliance measure but also a driver of long-term growth, resilience, and positive societal impact.

9.2 Community Investment & Social Impact

Supporting Communities

On 13 February, 2026, Ygl successfully executed a targeted donation drive, funded by the collective generosity of our staff and customers. These investments were directed toward organisations that address critical social gaps:

Organisation	Impact Area	Support Provided
Pertubuhan Kebajikan Nasyiatulaisyiyah	Education & Healthcare	Funding for community development initiatives.
Pure Lotus Hospice of Compassion	End-of-Life Care	Support for palliative services for patients and families.
Penang Hindu Association	Social Welfare	Funding for cultural and social welfare programs.
Jawatankuasa Pentadbiran Choo Chay Keong	Cultural Preservation	Contribution toward local cultural heritage and community well-being.



13 February 2026 — "Ygl Support Local Communities": CSR Efforts for Donations to Penang Charities



13 March 2026 — Ship Campus

Ygl was honoured to be invited by Peninsula College to conduct a knowledge-sharing session titled "YGL Core Business System – Introduction & Sharing" for students enrolled in the DTIS4013 Management Information System course at the Ship Campus.

The session was part of Ygl's continuous commitment to supporting industry-academia collaboration and nurturing future-ready talent by bridging the gap between classroom learning and real-world business applications.

Representing Ygl, Mr. Yeap Seong Sun, Head of Consultant, delivered an engaging and insightful presentation on the role of core business systems in modern enterprises, with a strong focus on Enterprise Resource Planning (ERP) solutions and digital business transformation.

During the sharing session, students were introduced to how integrated business systems serve as the backbone of organisational operations by connecting key functions such as finance, procurement, inventory, warehouse management, sales, human resources, and customer relationship management into a centralised and efficient platform.

Mr. Yeap Seong Sun explained how ERP solutions help organisations improve productivity, streamline workflows, enhance data visibility, strengthen internal controls, and support faster, data-driven decision-making. He also shared practical examples from various industries, demonstrating how businesses leverage digital systems to remain competitive, scalable, and resilient in an increasingly technology-driven environment.

The session provided students with valuable exposure to actual industry practices, allowing them to better understand how Management Information Systems are applied beyond theoretical concepts in academic learning. It also gave them deeper insight into the growing importance of digital transformation, automation, and system integration across businesses of all sizes.

9.2 Community Investment & Social Impact

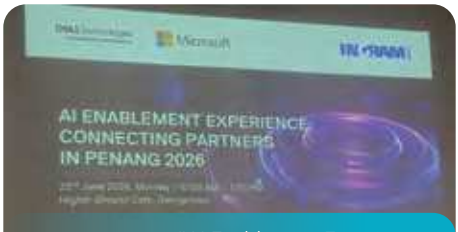
Supporting Communities (Cont'd)

Students actively participated in the discussion, raising thoughtful questions about ERP implementation challenges, system customisation, business process optimisation, and career opportunities within the ERP consulting and technology sectors. The interactive exchange created a meaningful learning environment and encouraged students to explore the practical impact of information systems in business strategy and operations.

Ygl believes that empowering students with industry knowledge is essential in preparing the next generation of IT professionals, consultants, and business leaders. Through such engagements, students gain a clearer perspective on the skills and competencies required to succeed in today's digital economy.

We sincerely thank Peninsula College for the invitation and the opportunity to contribute to the students' learning journey. Ygl remains committed to fostering strong partnerships with educational institutions and supporting talent development through knowledge sharing, innovation, and real-world industry exposure.

Together, we continue building a stronger future through education, technology, and collaboration.



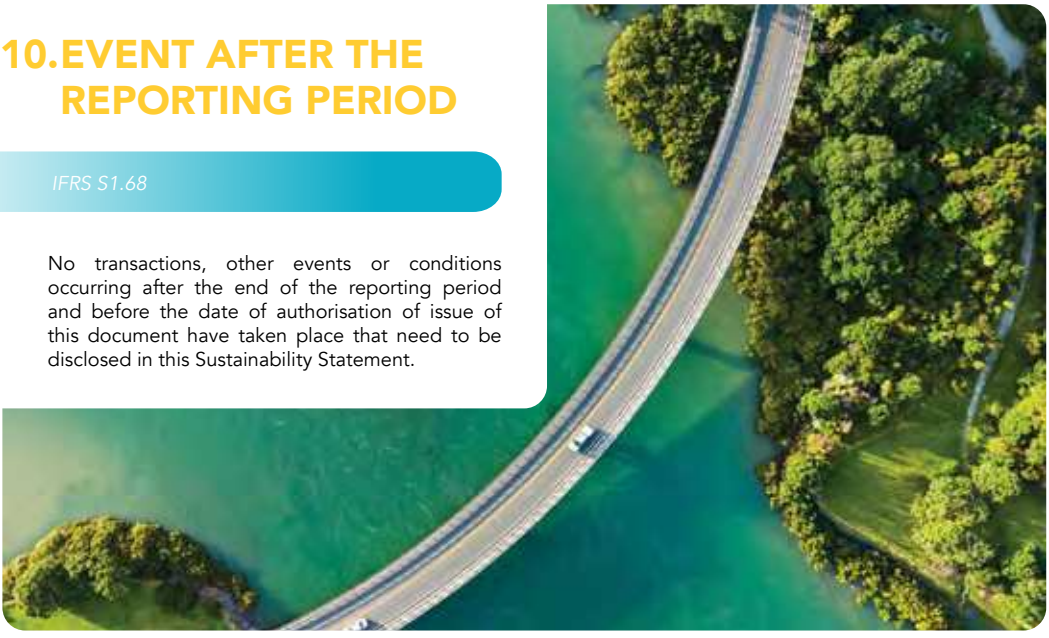
22 June 2026 — "AI Enablement Experience: Connecting Partners in Penang"

As part of our commitment to continuous digital transformation and delivering intelligent enterprise software solutions, the team from Ygl actively participated in the AI Enablement Experience: Connecting Partners in Penang seminar on June 22, 2026. Hosted at the Higher Ground Cafe in George Town by Ingram Micro alongside tech titans Dell Technologies and Microsoft, the exclusive event brought together top industry partners to unpack the practical economics, infrastructural demands, and business strategic models of enterprise AI adoption. Dr. Celvin, Humphrey Ho and Farah attended the seminar.

10. EVENT AFTER THE REPORTING PERIOD

IFRS S1.68

No transactions, other events or conditions occurring after the end of the reporting period and before the date of authorisation of issue of this document have taken place that need to be disclosed in this Sustainability Statement.



YGL CONVERGENCE BERHAD

BMLR Transition Period

Date & Time: 2026-10-29_22:13:02

Ace Market | Group 3 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Economic Performance	Revenue	MYR	14,071,821	5,519,652	—	External (Reasonable)
Health & Safety	Number of work-related fatalities	Case	0	0	zero fatality annually	Internal
Health & Safety	Number of employees trained on health and safety standards	Number of employees	* 1	* 4	—	Internal
Footnote 2025	The Board comprises of (5) members. (1) Chief Executive Officer, (1) Executive Director and (3) Independent Non-Executive Director.					
Footnote 2026	Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim appointed on 28 April 2026.					
Health & Safety	Lost time incident rate ("LTIR")	Hours	0	0	—	Internal
GHG emissions	Scope 1	Tonnes of CO2e	8.7247	7.5958	—	Internal
GHG emissions	Scope 2	Tonnes of CO2e	44.8229	48.0364	—	Internal
GHG emissions	Scope 3 (i.e. business travel and employee commuting)	Tonnes of CO2e	88.03	42.3933	—	Internal
Diversity, Equity & Inclusion	Percentage of directors by gender and age group	%	80% (M) 20% (F) 40% (<50yrs) 60% (>50yrs)	* 80% (M) 20% (F) 20% (<50yrs) 80% (>50yrs)	—	Internal
Footnote 2026	Audit & Risk Management Committee Chairman is Wong Khai Meng.					
Human Rights	Number of substantiated complaints concerning human rights violations	Number	0	0	—	Internal
Anti-corruption	Confirmed incident of corruption and action taken	Case	0	0	—	Internal
Anti-corruption	Employees who have received training on anti-corruption by employee	Number	0	0 (Management) 0 (Executive) 0 (Non-executive)	6 (Management) 5 (Executive) 38 (Non-executive)	Internal

YGL CONVERGENCE BERHAD

BMLR Transition Period

Date & Time: 2026-10-29_22:13:02

Ace Market | Group 3 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Cybersecurity & Data Protection	* Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	Number	1	0	—	Internal
Footnote Metric	GHG emissions in Tonnes of CO2e					
Waste Management	Total waste generated	Metric tonnes	0.043606	* 0.349211	—	Internal
Footnote 2026	The Board comprises of (5) members. (1) Chief Executive Officer, (1) Executive Director and (3) Independent Non-Executive Director.					
Waste Management	Total waste diverted from disposal	Metric tonnes	0.039	* 0.00395	—	Internal
Footnote 2026	Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim appointed on 28 April 2026.					
Waste Management	Total waste directed to disposal	Metric tonnes	0.0045201	* 0.34527	—	Internal
Footnote 2026	Audit & Risk Management Committee Chairman is Wong Khai Meng					
Water Management	Total volume of water used	Megalitres	0.497	0.601	—	Internal
Community Investment	Total amount invested in the community	MYR	14,300	6,800	—	Internal
Community Investment	Total number of beneficiaries of the investment in communities	* Number of beneficiaries	4	4	—	Internal
Footnote Measurement Unit	Waste Management in Metric tonnes					
Employee Management	Total hours of training by employee category	Hours	60 (Management) 28 (Executive) 46 (Technical Staff)	49 (Management) 71 (Executive) 433 (Technical Staff)	—	Internal
Employee Management	Total number of employee turnover by employee category	Number	0 (Management) 0 (Executive) 13 (Technical Staff)	0 (Management) 0 (Executive) 6 (Technical Staff)	—	Internal

YGL CONVERGENCE BERHAD

BMLR Transition Period

Date & Time: 2026-10-29_22:13:02

Ace Market | Group 3 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Employee Management	Total Number of employee turnover	%	26.80	12.24	—	Internal

APPENDIX I: GLOSSARY OF ACRONYMS

No specific requirement in the IFRS Sustainability Disclosure Standards – provided for ease of reference, consistent with the principle that disclosures be clear, comprehensible and not obscured (IFRS S1.B27)

There is no specific requirement in the IFRS Sustainability Disclosure Standards to disclose a glossary of acronyms in a sustainability report. The glossary set out below is provided solely for the ease of reference of readers, to assist in understanding the terms and acronyms used throughout this Sustainability Statement. It supports the clear and understandable presentation of the Group's sustainability-related financial disclosures.

Acronym	Description	Acronym	Description
ACE Market	Access, Certainty, Efficiency Market of Bursa Malaysia Securities Berhad	**MPC**	Malaysia Productivity Corporation
AI	Artificial Intelligence	**MYR**	Malaysian Ringgit
Bursa	Bursa Malaysia Securities Berhad	**NCER**	Northern Corridor Economic Region
CO_2e	Carbon dioxide equivalent	**NSRF**	National Sustainability Reporting Framework
DEI	Diversity, Equity and Inclusion	**PoC**	Proof of Concept
EESG	Economic, Environmental, Social and Governance	**PV**	Photovoltaic
EPCC	Engineering, Procurement, Construction and Commissioning	**QA**	Quality Assurance
ERM	Enterprise Risk Management	**QLASSIC**	Quality Assessment System in Construction
ERP	Enterprise Resource Planning	**RAG**	Retrieval-Augmented Generation
ESG	Environmental, Social and Governance	**RBAC**	Role-Based Access Control
E-XBRL	Electronic eXtensible Business Reporting Language	**R&D**	Research and Development
FY	Financial Year	**SAMENTA**	Small and Medium Enterprises Association of Malaysia
GEA	Global Electronics Association	**SASB**	Sustainability Accounting Standards Board
GHG	Greenhouse Gas	**SC**	Securities Commission Malaysia
GHG Protocol	Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)	**SIEM**	Security Information and Event Management
GJ	Gigajoule	**SLA**	Service Level Agreement
GRI	Global Reporting Initiative	**SME**	Small and Medium-sized Enterprise
HRD Corp	Human Resource Development Corporation	**Scope 1**	Direct GHG emissions from sources owned or controlled by the Group
HVAC	Heating, Ventilation and Air Conditioning	**Scope 2**	Indirect GHG emissions from the generation of purchased electricity consumed by the Group
IFRS	International Financial Reporting Standards	**Scope 3**	Other indirect GHG emissions occurring in the Group's value chain

APPENDIX I: GLOSSARY OF ACRONYMS (CONT'D)

Acronym	Description	Acronym	Description
IFRS S1	IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	**SSO**	Single Sign-On
IFRS S2	IFRS S2 Climate-related Disclosures	**SWOT**	Strengths, Weaknesses, Opportunities and Threats
ISSB	International Sustainability Standards Board	**TC-SI**	Technology & Communications – Software & IT Services (SASB industry standard)
IT	Information Technology	**tCO_2e**	Tonnes of carbon dioxide equivalent
KPI	Key Performance Indicator	**UNGC**	United Nations Global Compact
kWh	Kilowatt-hour	**UNSDGs**	United Nations Sustainable Development Goals
LED	Light-Emitting Diode	**VPN**	Virtual Private Network
LTIR	Lost Time Incident Rate	**WMS**	Warehouse Management System
MFRS	Malaysian Financial Reporting Standards		

APPENDIX II: IFRS STANDARD MAPPING INDEX

IFRS S1.57–58; IFRS S1 Appendix C2; IFRS S1.72 (statement of compliance); IFRS S1.B27 (information not to be obscured)

This index serves as an aid to readers and preparers. It maps the principal disclosure requirements of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures to the notes and sections of this Sustainability Statement in which the related information is presented. References are to the numbered notes and sections of this Statement.

The index is not a substitute for reading the Statement as a whole and is not intended to be an exhaustive compliance checklist. Where a requirement is addressed in more than one location, the principal location is shown. Paragraph references follow the Standards as issued by the International Sustainability Standards Board (ISSB) and as given effect in Malaysia through Bursa Malaysia's National Sustainability Reporting Framework (NSRF).

IFRS S1 — General Requirements for Disclosure of Sustainability-related Financial Information		
IFRS reference	**Disclosure requirement**	**Location in this Statement**
S1.17–20	Objective; complete set of sustainability-related financial disclosures; fair presentation	Note 1.1
S1.20; S1.B38	Reporting boundary for disclosures other than GHG emissions	Note 3.1
S1.21–22	Conceptual foundations — fair presentation and faithful representation	Note 1.1

APPENDIX II: IFRS STANDARD MAPPING INDEX (CONT'D)

IFRS S1 — General Requirements for Disclosure of Sustainability-related Financial Information (Cont'd)		
IFRS reference	**Disclosure requirement**	**Location in this Statement**
S1.24	Reporting entity aligned with the related financial statements	Note 1.2; Note 3.1
S1.27(a)(i)–(v)	Governance — body responsible for oversight of sustainability-related risks and opportunities; skills, reporting lines, integration into strategy and risk management; remuneration linkage	Notes 6.1, 6.3, 6.4
S1.27(b)(i)–(ii)	Governance — management's role, delegation and controls over sustainability processes	Note 6.2
S1.30(a)–(c)	Strategy — sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects, and the time horizons over which they could occur	Note 1.2; Notes 5, 7, 8
S1.31	Definition of short-, medium- and long-term time horizons linked to strategic planning	Note 1.2
S1.32; S1.B5	Current and anticipated effects on the business model and value chain	Notes 2.1, 2.2; Notes 7.1(b), 7.2(b), 8.1(b)
S1.33; S1.40	Effects of sustainability-related risks and opportunities on strategy and decision-making	Notes 8.1(c), 8.2, 8.3, 8.4
S1.34–38	Current and anticipated effects on financial position, financial performance and cash flows	Note 8.1(d)
S1.41	Resilience of the strategy and business model	Note 8.1(e)
S1.43–44	Risk management — processes to identify, assess, prioritise and monitor sustainability-related risks and opportunities, and integration into overall risk management	Notes 5, 6.4; Notes 7.4, 8.5
S1.45–47	Metrics used to measure and monitor performance, including measurement basis, method and inputs	Note 8.6; Performance Data Table
S1.50–51	Targets set (or required to be met) and progress against them	Note 8.6
S1.55(a); S1.57–58	Sources of guidance — reference to SASB Standards and other frameworks	Notes 1.1, 5, 8.6; Appendix II
S1.63–64	Comparative information and reporting period; transition relief from comparatives applied in the first reporting period	Notes 1.2, 1.3
S1.68	Events after the reporting period	Note 10
S1.72	Explicit and unreserved statement of compliance with IFRS Sustainability Disclosure Standards	Note 1.1
S1.74–75	Significant judgements made in preparing the disclosures	Note 4 (Significant judgements)
S1.77–82	Sources of measurement uncertainty, assumptions and estimation techniques	Note 4

APPENDIX II: IFRS STANDARD MAPPING INDEX (CONT'D)

IFRS S1 — General Requirements for Disclosure of Sustainability-related Financial Information (Cont'd)		
IFRS reference	**Disclosure requirement**	**Location in this Statement**
S1.85; S1.B50	Changes in estimates and revision of comparative amounts	Note 4 (Changes in Estimates)
S1.B2–B5	Identification of sustainability-related risks and opportunities across the value chain	Note 5 (Step 1); Note 2.2
S1.B6; S1.B11	Use of all reasonable and supportable information without undue cost or effort; reassessment on significant events or changes in circumstances	Note 5
S1.B13–B28	Materiality — assessment process and identification of material information	Note 5
S1.B27	Material information not to be obscured	Note 1.1; Appendix II
S1.E1, E3–E5	Effective date, first-time adoption and transition reliefs applied	Note 1.3

IFRS S2 — Climate-related Disclosures		
IFRS reference	**Disclosure requirement**	**Location in this Statement**
S2.5–6	Governance — board oversight and management's role for climate-related risks and opportunities	Notes 6.1, 6.2, 6.3
S2.10(a)–(d)	Climate-related risks and opportunities; classification as physical or transition risks; time horizons	Note 5 (Outcome); Notes 7, 7.1–7.3
S2.11–12	Definition of time horizons linked to strategic planning	Note 1.2; Note 7
S2.13(a)–(b)	Current and anticipated effects on the business model and value chain, and their concentration	Notes 7.1(a)–(b), 7.2(a)–(b), 7.3
S2.14(a), (c)	Effects on strategy and decision-making, including responses and resourcing	Notes 7.1(c), 7.2(c), 7.3
S2.15–16	Current and anticipated financial effects on financial position, financial performance and cash flows	Notes 7.1(d), 7.2(d)
S2.22(a)–(b)	Climate resilience of the strategy and business model	Note 7.2(e)
S2.25(a)–(b)	Risk management — processes to identify, assess, prioritise and monitor climate-related risks and opportunities	Note5.1; Note 6.4; Note 7.4
S2.27–28	Metrics and targets — cross-industry metric categories and industry-based metrics	Note 7.5
S2.29(a)	Greenhouse gas emissions — Scope 1, Scope 2 and Scope 3 (tCO_2e)	Note 7.5 (Greenhouse gas emissions); Performance Data Table

APPENDIX II: IFRS STANDARD MAPPING INDEX (CONT'D)

IFRS S2 — Climate-related Disclosures (Cont'd)		
IFRS reference	**Disclosure requirement**	**Location in this Statement**
S2.29(a)(ii); S2.B39	Measurement approach, inputs and assumptions for GHG emissions	Note 3.2(c)
S2.29(a)(iii); S2.B26–B27	Organisational and operational boundary for GHG emissions (operational control; GHG Protocol)	Notes 3.2(a), 3.2(b)
S2.29(b)–(f)	Other cross-industry metrics — transition and physical risk exposure, capital deployment, internal carbon price	Note 2.2; Note 7.5
S2.29(g)	Climate-related considerations in executive remuneration	Notes 6.3, 6.4; Note 7.5
S2.33–35	Climate-related targets, baselines, milestones and progress against them	Note 7.5 (Targets)
S2.36–37	Use of the GHG Protocol Corporate Standard; Scope 2 location-based method	Notes 3.2(c), 7.5
S2 App. B	Application guidance — industry-based metrics and SASB referencing	Note 5; Note 8.6
S2 App. C	Effective date and transition provisions	Note 1.3

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("Board") of Ygl Convergence Berhad ("Ygl" or "the Company") is pleased to present the Audit and Risk Management Committee ("ARMC") Report, which outlines how the ARMC discharged its responsibilities for the Company for the financial year ended 30 June 2026 ("FY2026").

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 matters 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 of the Board, all of whom are Independent Non-Executive Directors, as follows: -

Chairman -	Wong Khai Meng *(Independent Non-Executive Director)*	
Members -	i)	Muhamed Ali Bin Hajah Mydin *(Independent Non-Executive Director)*
	ii)	Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim *(Independent Non-Executive Director)* *(appointed on 28 April 2026)*

The composition of the ARMC complied with Rule 15.09 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("AMLR") and Step-Up Practice 9.4 of the latest Malaysian Code on Corporate Governance ("MCCG"), thereby promoting good corporate governance with an Audit Committee comprised solely of 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 27 August 2026, the Nominating Committee ("NC") reviewed the terms of office of the ARMC and assessed its performance for FY2026. 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 the 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 reporting on its activities to shareholders.

The ARMC monitors the progress of preventive and corrective actions to ensure 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.

MEETINGS

The ARMC convened six (6) meetings during FY2026. The attendance of the ARMC members for the FY2026 is detailed below: -

Members	Attended	%
Wong Khai Meng	**6/6**	**100**
Muhamed Ali Bin Hajah Mydin	**6/6**	**100**
Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim (Note 1)	**1/1**	**100**
Wan Chia Keong (Note 2)	**3/4**	**75**

Notes:
(Note 1) Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim was appointed as a member of ARMC on 28 April 2026.
(Note 2) Mr. Wan Chia Keong resigned as an INED and ceased to be a member of ARMC on 30 January 2026.

The ARMC meetings were convened on a quarterly basis, with additional meetings held as and when required.

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

The notice and agenda, together with the relevant papers and reports, were circulated to the members prior to each meeting to enable them to adequately prepare for the meeting. The Company Secretaries, who also served as Secretaries to the ARMC, recorded the 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 subsequent Board meetings.

The Chief Executive Officer and Executive Director were invited to attend the ARMC meetings. The external auditors attended to present their audit strategy and 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 in accordance with the approved IA plan for FY2026.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The ARMC carried out the following activities during FY2026: -

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, before recommending the same to the Board for consideration and approval.

- Reviewed the annual audited financial statements of the Company and the Group for FY2026 to ensure they provided a true and fair view of the financial position of the Group, prior to submission to the Board for consideration and approval.

- Reviewed and deliberated on the audit issues raised by the external auditors and reviewed the Management's action plans to address those issues.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (CONT'D)

The ARMC carried out the following activities during FY2026: - (Cont'd)

2. External Audit

- Reviewed and discussed with the external auditors of their audit strategy memorandum, audit approach and reporting requirements for FY2026 prior to the commencement of audit work.
- Reviewed and discussed the observations, recommendations and Management's responses regarding the evaluation of the internal controls.
- Engaged with the external auditors without the presence of the Management to address any matters of concern arising from the statutory audit.
- Reviewed the performance, independence, and audit fees of the external auditors, and being satisfied with these, recommended their re-appointment to the Board for recommendation of the Shareholders' approval at the Twenty-Second Annual General Meeting.

3. Internal Audit

- Reviewed and approved the IA plan for FY2026 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.
- Engaged with the internal auditors without the Management's presence 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 FY2026.

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.

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 FY2026, the internal auditors conducted 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's 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 team for FY2026 included: -

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

The total cost incurred by the Group for the IA functions during FY2026 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 financial year ended 30 June 2026 ("FY2026"). 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 shall be read together with the detailed CG Report for FY2026, 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 the 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 seeks to exemplify high standards of CG by focusing on strategy, governance and compliance. During FY2026, the Independent Non-Executive Directors ("INEDs") were consistently kept informed of the progress and status of the Company. The INEDs 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 inputs were 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 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 decisions and for keeping the Board informed of the overall operations of the Group. The INEDs possess sufficient caliber and experience to bring objectivity, balance and independent judgments to the Board's decision.

In addition to statutory and fiduciary duties, the Board leads 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.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

Six (6) Board of Directors Meetings were held during FY2026 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**
Muhamed Ali Bin Hajah Mydin	**5/6**	**83**
Dato' Seri (Dr.) Abdul Rafique Bin Abdul Karim (Note 1)	**1/1**	**100**
Wan Chia Keong (Note 2)	**2/3**	**67**

Notes:
(Note 1) Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim was appointed as an Independent and Non Executive Director ("INED") of the Company on 28 April 2026.

(Note 2) Mr. Wan Chia Keong resigned as an INED of the Company on 30 January 2026.

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
Transfer Pricing & Tax Corporate Governance	Seminar	8 hours
Seminar Percukaian Kebangsaan 2025 – Belanjawan 2026	Seminar	8 hours

Tan Hoay Leng

Title of Seminar/Workshop/Courses	Mode of Training	No. of Hours / Days Spent
Corporate Governance: Dissecting the Recent Amendments to the Personal Data Protection Act 2010 and Companies Act 2016	Webinar	7 hours
Case Study-Based Webinar: ESG and Supply Chain Management	Webinar	7 hours
Case Study-Based Webinar: IFRS S1 and IFRS S2: The Essentials	Webinar	7 hours
Seminar Percukaian Kebangsaan 2025 – Belanjawan 2026	Seminar	8 hours
2026 Budget Seminar for Corporate Accountants	Seminar	8 hours

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

Directors' Training (Cont'd)

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: - (Cont'd)

Wong Khai Meng

Title of Seminar/Workshop/Courses	Mode of Training	No. of Hours / Days Spent
ESG Data and Metrics: From Materiality to Measurement and Reporting	Webinar	7 hours
ESG and Taxation	Webinar	7 hours
Conduct of Directors and Common Breaches of Listing Requirements	Workshop	8 hours
MIA Webinar Series: Introduction to Environmental, Social & Governance ("ESG") and Sustainable Finance	Webinar	7 hours

Muhamed Ali Bin Hajah Mydin

Title of Seminar/Workshop/Courses	Mode of Training	No. of Hours / Days Spent
Contractor Safety Passport System – Low Risk	Workshop	8 hours

Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim

Title of Seminar/Workshop/Courses	Mode of Training	No. of Hours / Days Spent
IFRS S1 & S2 Sustainability Disclosure Reporting Standards	Seminar	8 hours

Board Charter

The Board has adopted a charter outlining the roles and responsibilities of the Board members including the division of responsibilities 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 is available on the Company's website.

Code of Conduct and Ethics

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

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

Whistleblowing Policy

The Whistleblowing Policy outlines 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.

Anti-Bribery and Corruption Policy

The Company has put in place an Anti-Bribery and Corruption Policy ("ABC Policy") in compliance with 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 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.

The existing Company Secretaries of the Company are as follows: -

(a) Ms. Yeow Sze Min
(b) Ms. Low Seow Wei

Both Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and qualified under Section 235(2) of the Companies Act 2016.

During the financial year, in discharging their role, the Company Secretaries, amongst other responsibilities, undertake the following: -

- Undertake statutory duties as required under the Companies Act 2016, ACE Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"), the Capital Market and Services Act, 2007;
- Facilitate and attend Board Meetings and Board Committee Meetings;
- Facilitate and attend the General Meeting;
- 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 the 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 Securities and Securities Commission Malaysia; and
- Render advice and support to the Board and Management as necessary.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

The Company Secretaries

The Company Secretaries continuously keep themselves abreast of developments in company law, capital market, corporate governance, and other relevant regulatory matters through ongoing professional development programmes and industry updates and keeps 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.

The Board is satisfied with the performance and support rendered by the Company Secretaries in facilitating the effective functioning of the Board.

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 recorded in the Minutes and circulated to the Board/Board Committees in a timely manner. The draft Minutes are tabled for confirmation at the subsequent Board/Board Committees meetings. All confirmed Minutes are properly maintained.

Directors have direct access to the advice and services of the Company Secretaries and Senior Management, and may seek independent professional advice when deemed necessary. 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 where circumstances require.

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

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

II. Board Composition

The Board currently comprises of 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 to be 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 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 for 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. Currently the Company has one (1) woman Director, who serves as the ED of the Board, representing 20% of the Board composition.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Following its FY2026 review on the Board composition, the Board is satisfied that the current Board size is appropriate in facilitating effective decision-making, taking into consideration 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 Committees have no executive powers and make recommendations only, with the final decision resting 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 of the following INEDs: -

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

Committee Members
Mr. Wong Khai Meng *(INED)*
Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim *(INED) (appointed on 28 April 2026)*

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 appointments 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 FY2026, 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;
- Reviewed the proposed candidate for appointment to the Board;
- 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.

In accordance with the 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 pursuant to Clause 76(3) of the Constitution of the Company are Madam Tan Hoay Leng and En. Muhamed Ali Bin Hajah Mydin. Both Directors being eligible to seek re-election, had consented to continue in office and offered themselves for re-election.

Clause 78 of the Constitution of the Company provides that any Director appointed during the year to fill a casual vacancy shall hold office until the next AGM and shall be eligible for re-election. Accordingly, Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim who was appointed to the Board on 28 April 2026 shall retire and is eligible for re-election. Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim has consented and offered himself for re-election.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Directors' Fit and Proper Policy (Cont'd)

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 recommendations to the Board. The NC may engage professional recruitment firms or seek independent professional advice whenever 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 upon a comprehensive assessment and the NC's endorsement.

While acknowledging that such nomination by the NC may have merit, the Board recognises the importance of not relying on recommendations from existing Board members, Management or major shareholders and to make its own independent assessment.

Director assessment is an on-going responsibility of the Board. A formal 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 Board Committees evaluations. The latest annual assessment confirmed that the Board and respective Board Committees have effectively discharged their 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 in 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 along with the Group's long-term goals, seeking to ensure the Group's competitiveness while supporting individual development.

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

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

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

Committee Members
Mr. Wong Khai Meng *(INED)*
Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim *(INED) (appointed on 28 April 2026)*

During the FY2026, the RC conducted its annual review of the overall remuneration for its Directors and Key Senior Management personnel. The RC also deliberated on the proposed Directors' fees for FY2026 which will be subject to shareholders' approval at the forthcoming 22nd AGM of the Company. Following these deliberations, the RC presented its recommendation and findings to the Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. Remuneration (Cont'd)

The summary of the Directors' remuneration in the Company and its subsidiaries for FY2026 is as follows: -

	Company ('000)			Group ('000)			
Directors	**Salary RM**	**Bonus RM**	**Fee RM**	**Salary RM**	**Bonus RM**	**Fee RM**	**EPF RM**
Executive							
Yeap Kong Chean	-	-	-	**206.7**	-	-	**12.0**
Tan Hoay Leng	-	-	**20.0**	**105.5**	-	-	**12.7**
Non-Executive							
Wong Khai Meng	-	-	**20.0**	-	-	-	-
Muhamed Ali Bin Hajah Mydin	-	-	**20.0**	-	-	-	-
Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim *(appointed on 28 April 2026)*	-	-	**5.0**	-	-	-	-
Wan Chia Keong *(resigned on 30 January 2026)*	-	-	**10.0**	-	-	-	-
Total	-	-	**75.0**	**312.2**	-	-	**24.7**

The Company currently has four (4) Key Senior Managements whose remuneration falls within the following bands: -

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

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 amounts payable to 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 commitment required of the NEDs in attending these meetings.

The relevant resolutions for the Directors' fees and benefits payable to the Directors will be tabled for shareholders for approval at the forthcoming 22nd AGM of the Company.

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 Listing Requirements, 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 does not serve as the Chairman of the Board.

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

In line with Practice 9.2 of the MCCG, the TOR of the ARMC has been updated to include a policy requiring a former key audit partner of the Company 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 the ARMC, as outlined below, which consists exclusively of three (3) INEDs, is also in line with the Step-Up Practice 9.4 of the MCCG.

Chairman
Mr. Wong Khai Meng *(INED)*

Committee Members
En. Muhamed Ali Bin Hajah Mydin *(INED)*
Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim *(INED) (appointed on 28 April 2026)*

The NC reviews the composition of the ARMC annually and submits its recommendation to the Board for approval. All ARMC members are financially literate and/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 FY2026, 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.

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 the 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 2026, the internal audit firm employed 16 personnel.

The name and qualification of the individual responsible for 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. Sugaintharan, senior-in-charge, holds a Bachelor of Accounting from Anglia Ruskin University, United Kingdom in 2016.

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

On 27 August 2026, the ARMC conducted a review and assessment on the adequacy and independence of the Company's internal audit function for FY2026 in compliance with Rule 15.12 (1)(f) of Listing Requirements.

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 releases 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 performance, operations and activities.

During FY2026, no investor relations event was held other than the Twenty-First ("21st") AGM on 27 November 2025, where the Directors and external auditors were present to address questions from shareholders.

II. Conduct of General Meetings

As a matter of good corporate practice, and in line with Practice 13.1 of the MCCG, a company should provide shareholders with the Notice of General Meeting at least twenty-eight (28) days prior to the date of the meeting, allowing shareholders sufficient time to review the relevant information and make informed decisions on the matters to be considered at the meeting.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. Conduct of General Meetings (Cont'd)

The Company is aware of and endeavours to observe this good practice. However, due to unforeseen circumstances, the Notice of the 21st AGM held in 2025 was issued less than twenty-eight (28) days prior to the meeting. Nevertheless, the Company complied with the applicable Listing Requirements, which require at least twenty-one (21) days' notice to be given to shareholders to allow them sufficient time to consider the matters to be transacted at the 21st AGM.

The notice of the 21st AGM was published in the nationally circulated daily newspaper within the mandatory period and announced via Bursa Securities' platform as well as published on the Company's website.

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 cast for and against each resolution and the corresponding respective 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 21st 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 and 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 21st AGM.

IV. Minutes of General Meeting

The AGM remains a key platform for communication and engagement between the Company and its shareholders, 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 proceedings, capturing the mutual understanding, agreements, and resolutions reached between shareholders and the Company.

The minutes of the 21st 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 FY2026. 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 pleased to present this Statement on Risk Management and Internal Control ("this Statement") outlining the nature and scope of the risk management and internal control systems of the Company and its subsidiaries (collectively "the Group") for the financial year ended 30 June 2026 ("FY2026") and up to the date of approval of this Statement.

The Board is required to report on the risk management and internal control of the Company as a group and prepared this Statement in line with:

- Rule 15.26(b) of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), read together with Section 4 of ACE Market Guidance Note 11;
- Principle B, Part II (Risk Management and Internal Control Framework) of the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia; and
- the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies ("SORMIC Guide 2025") endorsed by Bursa Securities.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for the Group's systems of risk management and internal control, and for reviewing the adequacy, integrity and effectiveness of those systems. This responsibility includes setting the Group's risk appetite, identifying principal risks, satisfying itself that appropriate internal control systems are in place to manage those risks, and ensuring that the control environment supports the Group's strategy and safeguards shareholders' investment and the Group's assets.

The Board discharges this responsibility through a governance architecture comprising the Board Charter, the Terms of Reference ("TOR") of each Board Committee, framework specifying the matters reserved to the Board and the authority delegated to Management and a suite of Board-approved policies. Matters reserved to the Board include the approval of strategy, annual budget, material capital expenditure, acquisitions and disposals and related party transactions.

Management is responsible for implementing the Board's policies and procedures on risk and control, for identifying and assessing the risks faced by the business, and for the design, operation and monitoring of the controls that mitigate those risks. Risk ownership is assigned to named members of Management, who are accountable for the operating effectiveness of the controls within their processes.

The Board recognises that the systems of risk management and internal control are designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives. Accordingly, these systems can provide only reasonable, and not absolute, assurance against material misstatement, loss or fraud. Their effectiveness may be limited by human error or misjudgement, deliberate circumvention or override of controls, collusions, or events outside the range reasonably anticipated by Management.

The Board is of the view that the system of internal controls in place for the financial year under review and up to the date of approval of this Statement are adequate and effective in all material aspects to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.

GOVERNANCE STRUCTURE FOR RISK AND CONTROL

The Board has established an Audit and Risk Management Committee ("ARMC"), comprising exclusively Independent Non-Executive Directors ("INEDs"), to assist the Board in discharging its oversight responsibilities in respect of financial reporting, risk management, internal control, internal audit, external audit, related party transactions and regulatory compliance. The ARMC reviews the Group's risk profile and risk appetite, the effectiveness of risk management framework, the adequacy of internal controls, and the actions taken by Management in response to identified weaknesses, and reports its findings and recommendations to the Board.

The allocation of roles and responsibilities across the Group is as follows:

Role	Responsibilities
Head of Department	Operating and functional management for software development and quality assurance, project delivery and implementation consulting, sales and business development, customer support, finance and shared services. Risk owners own and manage risks arising in their processes, operate the day-to-day controls embedded in those processes, and report exceptions and incidents through the weekly operational meeting.
Internal Audit	Internal audit function reports functionally and directly to the ARMC and is independent of Management. It provides objective assurance on the adequacy and effectiveness of governance, risk management and internal control. Internal audit areas include the finance function (budgetary control, credit control and financial reporting), the information security and data protection function, the quality management function governing the software development life cycle, and the sustainability reporting function. These functions maintain the risk register, monitor key risk indicators, coordinate policy compliance and challenge first-line risk assessments.
External Audit	External auditors perform statutory audit of the financial statements and the limited assurance review of this Statement under Rule 15.23 of the AMLR.

RISK 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 a risk management framework for the Group comprising an ongoing process for risk identification, assessment and prioritisation, monitoring and oversight, governance and reporting. The Board remains committed to the continuous strengthening of the Group's risk management and internal control system amid industry development and changes in operating environment.

The Company has in place 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.

An Anti-Bribery and Corruption ("ABC") Policy in accordance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 was also set in place. The ABC sets out the guidelines and procedures for all Directors and employees to prevent bribery and corruption.

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

Risk appetite and tolerance

The Group has a low appetite for risks relating to regulatory and listing non-compliance, bribery and corruption, breaches of personal data protection obligations, and the integrity of financial and sustainability reporting. Controls in these areas are designed to prevent occurrence, and any breach is escalated immediately to the ARMC.

The Group has a moderate and carefully managed appetite for credit, liquidity, project delivery and third-party dependency risks, which are inherent in the enterprise software business and are managed within defined limits and monitored through key risk indicators.

RISK MANAGEMENT FRAMEWORK (CONT'D)

Risk appetite and tolerance (Cont'd)

The Group has a considered appetite for risk arising from investment in new product development, artificial intelligence capability and geographic expansion, recognising that measured risk-taking in these areas is necessary to the Group's growth mandate as a technology issuer on the ACE Market. Such investment is approved on a case-by-case basis and expenditure limits.

SUSTAINABILITY AND CLIMATE-RELATED RISK GOVERNANCE

The Board retains overall oversight of sustainability matters, including climate-related risks and opportunities, and treats them as an integral part of the Group's enterprise risk management rather than as a separate reporting exercise. Sustainability and climate-related matters assessed as material are recorded in the Group risk register.

The Board has considered the implications of the National Sustainability Reporting Framework ("NSRF") launched by the Securities Commission Malaysia, which adopts IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures as Malaysia's baseline sustainability disclosure standards, and of the corresponding amendments to the AMLR.

As an ACE Market listed corporation, the Company falls within the third phase of the NSRF, for which climate-first reporting under IFRS S2 applies to annual reporting periods beginning on or after 1 January 2027. However, the Group has started early reporting under the IFRS Sustainability Disclosure Standards for the first time for its annual reporting period ended 30 June 2026.

The Group has not applied the "climate-first" transition relief available under the NSRF which would permit reporting on only climate-related risks and opportunities in the initial reporting periods. Accordingly, the Group has included information on environmental, social and governance sustainability-related risks and opportunities for its first year of reporting.

The Board has directed that the intervening period be used to build the governance, data and control infrastructure required for reporting of investor-grade quality. The readiness factors considered by the Board comprise:

1) Governance — confirming Board and ARMC responsibilities for sustainability-related risks and opportunities, assigning management-level accountability, and building director and management competency in climate-related matters.
2) Strategy — identifying the sustainability-related and climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects, and developing the capability to perform climate scenario analysis proportionate to the Group's size and circumstances.
3) Risk management — embedding the identification, assessment and prioritisation of sustainability-related risks within the enterprise risk management process described in Section 4, rather than maintaining a parallel process.
4) Metrics and targets — establishing greenhouse gas measurement in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, commencing with Scope 1 and Scope 2 emissions, together with baseline data, targets and the systems required to support them.

The Board recognises that sustainability information published by the Group must be supported by controls comparable in discipline to those applied to financial information. The Group has established internal controls over sustainability data covering the identification of data sources, assignment of data ownership, retention of source documentation, documented calculation methodologies and emission factors, review and approval of data before publication, and version control over restatements. Sustainability disclosures are subject to review by the ARMC before recommendation to the Board for approval.

INTERNAL CONTROL

The Group maintains a well-defined organisational structure with clear lines of accountability and documented delegation of authority setting out the decisions reserved to the Board and the appropriate authority levels for major capital expenditure, acquisitions and disposals, and other significant transactions requiring the Board's approval as follows: -

1) Financial reporting and monitoring — preparation and dissemination of comprehensive financial reports to the Board and the ARMC on a quarterly basis, including performance against budget, cash-flow position and variance analysis, enabling the timely formulation of corrective action;

2) Operational oversight — participation of the EDs in weekly operational meetings attended by respective senior management, to highlight and address significant matters arising in a timely basis;

3) Policies and procedures — a documented framework of policies including the Code of Conduct and Ethics, Director's Fit and Proper Policy, Whistleblowing Policy, Anti-Bribery and Corruption Policy, which are available on the Company's website at www.yglworld.com.

4) Human capital — maintaining stringent recruitment standards and competency requirements to ensure competent personnel are employed to perform their responsibilities efficiently;

5) Quality management — a series of quality control measures governing software development, testing, release management and implementation, including stage-gate review, defect tracking and user acceptance testing prior to production deployment;

6) Performance monitoring — constant monitoring of work performance through an effective reviewing system;

7) Information and data integrity — maintaining strong internal information and data integrity controls as well as compliance with the Personal Data Protection Act 2010;

8) Compliance and continuity — meeting compliance covering regulatory and statutory obligations, business continuity and disaster recovery.

INTERNAL AUDIT

The Group's internal audit function is outsourced to an independent professional firm, namely, Messrs. Tan & Loh, to conduct the internal audit work on a regular basis throughout the year. The outsourced arrangement provides the Group with access to appropriately qualified resources and preserves the independence of the function from the Group's operations.

The internal audit function reports functionally and directly to the ARMC and is independent of the activities it audits, consistent with Rule 15.27(2) of the AMLR and Practices 11.1 and 11.2 of the MCCG. This provides assurance to the ARMC in respect of continuity, adequacy and integrity of the system of internal controls within the Group.

During FY2026, the internal auditors carried out two cycles of internal audit in accordance with the internal audit plan approved by the ARMC. The ARMC, on behalf of the Board, reviews the internal control issues identified and recommendations in the reports prepared by the internal auditor. The internal auditors deliberated the internal audit findings and recommendations in consultation with the ARMC and Management. The Management responded with appropriate remedial actions to address the weaknesses identified. None of the weaknesses identified during FY2026 resulted in any material loss, contingency or uncertainty that would require disclosure in the Group's Annual Report.

REVIEW OF EFFECTIVENESS AND ANNUAL ASSESSMENT

The Board, through ARMC, has established processes for the ongoing and annual review of the Group's risk management and internal control systems. These processes were in place throughout FY2026 and have continued up to the date of approval of this Statement.

The ongoing review during the financial year comprised the quarterly review of financial and operational performance reports; the review of risk reporting; the review of internal audit reports and the status of agreed corrective actions; the review of related party transactions and recurrent related party transactions; the review of quarterly and annual financial results prior to release; and the review of matters raised by the external auditors.

The annual assessment undertaken by the Board for FY2026 took into account the matters reported throughout the year, together with: changes in the Group's significant risks and its responsiveness to internal and external developments; the effectiveness of the risk management and internal control systems; the contribution of internal audit; the significance of control failings or weaknesses identified and their actual or potential effect on the Group; events affecting the achievement of objectives that were not anticipated by Management; and the periodic testing of key controls.

Following this assessment, the Board is satisfied that the systems of risk management and internal control in place for the year under review, and up to the date of approval of this Statement, are adequate and effective in all material respects to safeguard shareholders' investments, the interests of customers, regulators and employees, and the Group's assets.

ASSURANCE FROM MANAGEMENT

The Board has received assurance from the Chief Executive Officer and Head of Finance that, to the best of their knowledge and belief, the Group's risk management and internal control system is operating adequately and effectively, in all material respects.

REVIEW BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the AMLR, the external auditors have performed limited assurance engagement in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report issued by the Malaysian Institute of Accountants, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement intended to be included in the Annual Report of the Group has not been prepared, in all material respects, in accordance with the disclosures required by Section 7 of the SORMIC Guide 2025, or that the Statement is factually inaccurate. AAPG3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems, including the assessment and opinion of the Board and Management thereon. The report from the external auditors was made solely for, and directed solely to, the Board in connection with its compliance with the AMLR, and for no other purpose or party. The external auditors do not assume responsibility to any other person for the content of their report.

CONCLUSION

The Board is of the opinion that the monitoring, review and reporting arrangements provide reasonable assurance that the Group's risk management and internal control system in place are adequate and effective. No material internal control failure resulting in a material loss to the Group occurred during FY2026 and up to the date of approval of this Statement.

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 ("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 at the end of the financial year and of their financial results and cash flows for the financial year then ended.

The Board is responsible for ensuring that 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 for ensuring that the financial statements comply with the Companies Act 2016, applicable accounting standards and ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

In preparing the financial statements for the financial year ended 30 June 2026, the Board has: -

– ensured that all applicable approved accounting standards in Malaysia have been followed;

– the Group and Company have applied the appropriate and relevant accounting policies consistently, subject to any material departures that are disclosed and explained in the financial statements;

– made judgements and estimates which 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 has general responsibility for taking all reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Board further ensures that the quarterly reports and annual audited financial statements of the Group are submitted to Bursa Securities on a timely basis, keeping the 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 as the auditors deemed necessary to enable them to issue the audit report on the financial statements.

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

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

During the financial year ended 30 June 2026, the Company did not raise any funds through any corporate proposal/ shareholders' mandate under Sections 75 and 76 of the Companies Act 2016.

AUDIT FEES AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors for the financial year ended 30 June 2026 are as follows: -

	Company RM	Group RM
Audit fees	**60,000**	**228,387**
Non-audit fees	**8,000**	**8,000**
Total fees	**68,000**	**236,387**

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

Save for that disclosed in Note 26(b) to the audited financial statements in this Annual Report, there were no material contract (not being contracts entered into in the ordinary course of business) entered into by the Company and/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 2026 or entered into since the end of the previous 15-month financial period ended 30 June 2025.

EMPLOYEES' SHARES OPTION SCHEME ("ESOS")

The ESOS, which allows the granting of options of up to 30% of the issued and paid-up 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 the eligible Directors and employees of the Group, and outstanding options as at 30 June 2026, are set out in the table below: -

Description	Number of Options
Granted in the previous year/At 1 July 2025	1,462,000
Granted during the financial year	-
Exercised during the financial year	-
Lapsed during the financial period	-
Outstanding options exercisable as at 30 June 2026	**1,462,000**

EMPLOYEES' SHARES OPTION SCHEME ("ESOS") (CONT'D)

The total number of options granted to the eligible Directors and Senior Management, and the outstanding options as at 30 June 2026 are set out in the table below: -

	Number of Options	
Description	**Directors**	**Senior Management**
Granted in the previous year/At 1 July 2025	490,000	490,000
Granted during the financial year	-	-
Exercised during the financial year	-	-
Lapsed during the financial year	-	-
Outstanding options exercisable as at 30 June 2026	**490,000**	**490,000**

Percentage of options granted to Directors and Senior Management since the commencement of the ESOS (up to 30 June 2026) 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 financial year ended 30 June 2026.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Rule 9.25A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

		Group	
Total Income	**Remarks**	**2026 RM**	**2025 RM**
Revenue		**5,217,018**	16,030,764
Interest income		**33,865**	42,230
Dividend income		**88,066**	120,608
Other income	Rental, Others	**82,924**	350,819
Total		**5,421,873**	**16,544,421**
Total Assets		**16,846,225**	**19,221,631**

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(B) Business Activities

Shariah Non-Compliant Activities	Remarks	Group 2026 RM	Group 2025 RM
Dividend income received from conventional shares and instruments		**88,066**	120,608
Interest income		**2,323**	3,040
Total		**90,389**	123,648

(C) Component of Financial Position

(i) Cash Component

Islamic Account / Instruments	Remarks	Group 2026 RM	Group 2025 RM
Cash in hand		**5,065**	5,810
Cash at bank (exclude cash in hand)		**367,957**	530,056
Deposits with licensed bank		**1,541,563**	1,344,373
Total		**1,914,585**	**1,880,239**

Conventional Account/Instruments	Remarks	Group 2026 RM	Group 2025 RM
Cash at bank (exclude cash in hand)		**1,030,826**	2,237,818
Money Market Instruments		**2,542,014**	2,653,948
Total		**3,572,840**	**4,891,766**

(ii) Debt Component

Islamic Financing	Remarks	Group 2026 RM	Group 2025 RM
Current			
Bank Overdrafts		**1,326,848**	-
Non-Current		**-**	-
Total		**1,326,848**	**-**

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(C) Component of Financial Position (Cont'd)

(ii) Debt Component (Cont'd)

		Group	
Conventional Borrowing	**Remarks**	**2026 RM**	**2025 RM**
Current		**-**	-
Non-Current		**-**	-
Total		**-**	**-**

DIRECTORS' REPORT

For the financial year ended 30 June 2026

The directors hereby submit their report together with the audited financial statements of the Group and the Company for the financial year ended 30 June 2026.

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 subsidiaries are disclosed in Note 7 to the financial statements.

RESULTS

	Group RM	Company RM
Loss for the financial year	**3,606,649**	**1,059,855**
Attributable to:		
Owners of the company	**3,513,389**	**1,059,855**
Non-controlling interests	**93,260**	**-**
	3,606,649	**1,059,855**

DIVIDENDS

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

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares or debentures during the financial year.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

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

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

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

		Number of options over ordinary shares				
Grant date	Exercise price RM	At 1.7.2025	Granted and accepted	Exercised	Lapsed	At 30.6.2026
6 November 2017	0.1612	1,427,000	-	-	-	**1,427,000**
21 April 2021	0.1904	35,000	-	-	-	**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 year up to the date of this report are as follows:

Yeap Kong Chean*
Tan Hoay Leng*
Wong Khai Meng
Muhamed Ali Bin Hajah Mydin
Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim (appointed on 28.04.2026)
Wan Chia Keong (resigned on 30.01.2026)

* Also a director of certain subsidiaries

DIRECTORS OF SUBSIDIARIES OF THE COMPANY

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

Y.T.M. Dato' Muhammed Bin Haji Abdullah
Tan Wei Keat
Chin Kong Tai
Ahmad Lokman Bin Ibrahim (appointed on 01.07.2025)
Dato' Abdul Aziz Bin Ismail, D.I.M.P., J.P. (resigned on 26.11.2025)

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

	Number of ordinary shares			
	At 1.7.2025	Bought	Sold	At 30.6.2026
The Company				
Direct Interest:				
Yeap Kong Chean	46,799,017	-	-	**46,799,017**
Indirect Interest:				
Yeap Kong Chean *	-	4,000,000	-	**4,000,000**
Tan Hoay Leng #	46,799,017	4,000,000	-	**50,799,017**

* Deemed interests through his child, Yeap Seong Sun pursuant to Section 59(11) of the Companies Act 2016.
\# Deemed interests through her spouse, Yeap Kong Chean and child, Yeap Seong Sun pursuant to Section 59(11) of the Companies Act 2016.

	Number of options over ordinary shares				
	At 1.7.2025	Granted and accepted	Exercised	Lapsed	At 30.6.2026
The Company					
Direct Interest:					
Yeap Kong Chean	320,000	-	-	-	**320,000**
Tan Hoay Leng	170,000	-	-	-	**170,000**

By virtue of his interest in the shares of the Company, Yeap Kong Chean is also deemed to have interests in the shares of all the subsidiaries to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

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

DIRECTORS' REMUNERATION AND BENEFITS

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

	Group RM	Company RM
Fee	**75,000**	**75,000**
Salary, bonus and other emoluments	**312,182**	**-**
Contributions to defined contribution plan	**24,618**	**-**
Total fees and other benefits	**411,800**	**75,000**

DIRECTORS' REMUNERATION AND BENEFITS (CONT'D)

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

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 year.

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 allowance for doubtful debts and had satisfied themselves that there were no known bad debts to be written off and that adequate allowance 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 allowance for doubtful debts in the Group and in the Company inadequate to any substantial extent;

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

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

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

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

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

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

OTHER STATUTORY INFORMATION

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

(e) In the opinion of the Directors:

(i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

SUBSIDIARIES

The details of the subsidiaries 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 year in which this report is made.

As at the end of the financial year, 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 year.

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 year are RM236,387 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

TAN HOAY LENG
Director

23 October 2026

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 2026 and financial performance and cash flows of the Group and of the Company for the financial year then ended 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

TAN HOAY LENG
Director

23 October 2026

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 this 23 October 2026)

TAN HOAY LENG
Chartered Accountant
MIA Membership No.: 12348

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To the members of YGL Convergence Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ygl Convergence Berhad, which comprise the statements of financial position as at 30 June 2026 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 year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 104 to 178.

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 2026, and of their financial performance and their cash flows for the financial year then ended 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"), as applicable to audits of financial statements of public interest entities, 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 year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Valuation of investment in equity instruments (YGL iBay) measured at FVTOCI – Group and Company

Refer to Note 9 to the financial statements

As at 30 June 2026, the Group's and the Company's carrying amount of its investment in YGL iBay International Sdn. Bhd. ("YGL iBay") was RM2,990,000 (2025: RM3,420,000).

The Group and the Company hold a 9.6% equity interest in YGL iBay International Sdn. Bhd. ("YGL iBay"). The investment is designated as an equity instrument measured at fair value through other comprehensive income under MFRS 9 and is 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.

The fair value of the investment is categorised within Level 3 of the fair value hierarchy due to the use of significant unobservable inputs. The valuation was determined using the market approach, whereby an Enterprise Value (EV)/Revenue multiple was applied to the maintainable revenue of YGL iBay's trading business, with adjustments made for the fair value of non-operating assets and net debt. The valuation also incorporates a discount for lack of control and lack of marketability, reflecting the Group's minority interest in the unlisted investee. The determination of fair value involves significant management judgement in selecting the appropriate valuation methodology and key assumptions and inputs, including the EV/Revenue multiple, maintainable revenue, fair value of non-operating assets and the discount for lack of control and marketability. Changes in these assumptions and inputs could have a material impact on the fair value of the investment recognised in the financial statements.

Key Audit Matters (Cont'd)

(a) Valuation of investment in equity instruments (YGL iBay) measured at FVTOCI – Group and Company (Cont'd)

We identified the valuation of this investment as a key audit matter because the fair value of the equity instrument is material to the Group's financial statements and involves significant management judgement and estimation uncertainty in determining the appropriate valuation methodology, key assumptions and significant unobservable inputs.

Our response:

Our audit procedures included, among others, the following:

(i) We obtained an understanding of management's fair value measurement process.

(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 performed sensitivity analysis on key unobservable inputs and assessed whether the resulting impact on fair value is reasonable.

(v) We reviewed and assessed the adequacy of related disclosures in the financial statements.

(b) Revenue recognition for solar panel installation services – Group

Refer to Note 21 to the financial statements

For the financial year ended 30 June 2026, the Group generated revenue of RM2,175,556 from its solar panel installation business segment, representing approximately 42% 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 a point in time when control transfers to the customer upon the completion of the installation of solar panels.

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.

In view of the materiality of revenue from solar panel installation services recognised by the Group and the level of judgement involved, we have identified revenue recognition for solar panel installation services as a key audit matter.

Our response:

(i) We obtained an 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 the 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.

Key Audit Matters (Cont'd)

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

Our response: (Cont'd)

(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 in the financial statements.

(c) Revenue recognition for software installation and commissioning – Group

Refer to Note 21 to the financial statements

For the financial year ended 30 June 2026, revenue from the Group's software implementation business segment amounted to RM2,431,295 representing approximately 47% 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 an 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 the 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 in the financial statements.

To the members of YGL Convergence Berhad

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.

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.

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)

- 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.

- 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 year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

Kuala Lumpur

23 October 2026

Wong King Yu
03194/06/2027 J
Chartered Accountant

STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	Group 2026 RM	2025 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**3,705,351**	4,025,683
Investment property	6	**750,000**	750,000
Investment in an associate	8	**-**	-
Investment in an equity instrument	9	**2,990,000**	3,420,000
Intangible assets	10	**24,560**	111,313
		7,469,911	8,306,996
CURRENT ASSETS			
Inventories	11	**362,424**	529,079
Trade and other receivables	12	**3,279,072**	3,447,510
Current tax assets		**247,393**	166,041
Cash and bank balances	14	**5,487,425**	6,772,005
		9,376,314	10,914,635
TOTAL ASSETS		**16,846,225**	19,221,631
EQUITY			
Share capital	15	**11,824,461**	11,824,461
Other reserves	16	**1,297,912**	1,770,000
(Accumulated losses)/Retained profits		**(1,409,548)**	2,103,841
Equity attributable to owners of the Company		**11,712,825**	15,698,302
Non-controlling interests		**337,612**	430,872
TOTAL EQUITY		**12,050,437**	16,129,174
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities	17	**106,776**	106,776
Contract liabilities	18	**13,049**	35,780
		119,825	142,556
CURRENT LIABILITIES			
Trade and other payables	19	**1,393,180**	1,769,049
Contract liabilities	18	**1,955,935**	1,081,771
Bank borrowing	20	**1,326,848**	-
Current tax liabilities		**-**	99,081
		4,675,963	2,949,901
TOTAL LIABILITIES		**4,795,788**	3,092,457
TOTAL EQUITY AND LIABILITIES		**16,846,225**	19,221,631

The accompanying notes form an integral part of the financial statements

STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	Company 2026 RM	Company 2025 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**1,659,452**	1,882,127
Investment in subsidiaries	7	**4,391,920**	5,001,632
Investment in an associate	8	**-**	-
Investment in an equity instrument	9	**2,990,000**	3,420,000
		9,041,372	10,303,759
CURRENT ASSETS			
Trade and other receivables	12	**504**	2,504
Amount due from subsidiaries	13	**75,308**	53,403
Current tax assets		**865**	67,905
Cash and bank balances	14	**3,755,625**	3,911,542
		3,832,302	4,035,354
TOTAL ASSETS		**12,873,674**	14,339,113
EQUITY			
Share capital	15	**11,824,461**	11,824,461
Other reserves	16	**(236,700)**	193,300
Retained profits		**1,186,304**	2,246,159
TOTAL EQUITY		**12,774,065**	14,263,920
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	**99,609**	75,193
TOTAL LIABILITIES		**99,609**	75,193
TOTAL EQUITY AND LIABILITIES		**12,873,674**	14,339,113

The accompanying notes form an integral part of the financial statements

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2026

	Note	Group		Company	
		1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Revenue	21	**5,217,018**	16,030,764	**10,000**	10,000
Cost of sales		**(5,265,721)**	(10,584,606)	**-**	-
Gross (loss)/profit		**(48,703)**	5,446,158	**10,000**	10,000
Other income		**413,297**	2,549,861	**331,183**	2,804,324
General and administrative expenses		**(3,814,906)**	(4,836,438)	**(1,421,544)**	(648,088)
Net remeasurement of loss allowances on trade receivables		**(143,316)**	(240,188)	**-**	-
(Loss)/Profit from operations		**(3,593,628)**	2,919,393	**(1,080,361)**	2,166,236
Finance costs		**(42,739)**	(7,150)	**-**	-
Share of results of an associate	8	**-**	265,339	**-**	-
(Loss)/Profit before tax	22	**(3,636,367)**	3,177,582	**(1,080,361)**	2,166,236
Tax credit/(expense)	23	**29,718**	(483,785)	**20,506**	-
(Loss)/Profit for the financial year/period		**(3,606,649)**	2,693,797	**(1,059,855)**	2,166,236
Other comprehensive (loss)/ income, net of tax					
Items that will be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		**(42,088)**	(137,904)	**-**	-
Items that will not be reclassified to profit or loss					
Fair value loss on investment in equity		**(430,000)**	-	**(430,000)**	-
Total other comprehensive (loss)/income for the financial year/period		**(472,088)**	(137,904)	**(430,000)**	-
Total comprehensive (loss)/ income for the financial year/period		**(4,078,737)**	2,555,893	**(1,489,855)**	2,166,236

The accompanying notes form an integral part of the financial statements

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2026

	Note	Group		Company	
		1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
(Loss)/Profit for the financial year/period attributed to:					
Owners of the company		**(3,513,389)**	2,426,540	**(1,059,855)**	2,166,236
Non-controlling interests		**(93,260)**	267,257	**-**	-
		(3,606,649)	2,693,797	**(1,059,855)**	2,166,236
Total comprehensive (loss)/ income for the financial year/period attributed to:					
Owners of the company		**(3,985,477)**	2,288,636	**(1,489,855)**	2,166,236
Non-controlling interests		**(93,260)**	267,257	**-**	-
		(4,078,737)	2,555,893	**(1,489,855)**	2,166,236
(Loss)/earnings per share					
Basic (sen)	24(a)	**(1.28)**	0.89		
Diluted (sen)	24(b)	**(1.28)**	0.89		

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2026

	Attributable to owners of the parent								
	Non-Distributable					Distributable			
Group	Share capital RM	Exchange translation reserve RM	Employees' share option scheme reserve RM	Revaluation reserve RM	Fair value reserve RM	(Accumulated losses)/ Retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
2026									
As at 1 July 2025	**11,824,461**	**615,712**	**193,300**	**960,988**	**-**	**2,103,841**	**15,698,302**	**430,872**	**16,129,174**
Foreign currency translation differences for foreign operations	**-**	**(42,088)**	**-**	**-**	**-**	**-**	**(42,088)**	**-**	**(42,088)**
Fair value loss on investment in equity instrument	**-**	**-**	**-**	**-**	**(430,000)**	**-**	**(430,000)**	**-**	**(430,000)**
Total other comprehensive loss for the financial year	**-**	**(42,088)**	**-**	**-**	**(430,000)**	**-**	**(472,088)**	**-**	**(472,088)**
Loss for the financial year	**-**	**-**	**-**	**-**	**-**	**(3,513,389)**	**(3,513,389)**	**(93,260)**	**(3,606,649)**
Total comprehensive loss for the financial year	**-**	**(42,088)**	**-**	**-**	**(430,000)**	**(3,513,389)**	**(3,985,477)**	**(93,260)**	**(4,078,737)**
As at 30 June 2026	**11,824,461**	**573,624**	**193,300**	**960,988**	**(430,000)**	**(1,409,548)**	**11,712,825**	**337,612**	**12,050,437**

The accompanying notes form an integral part of the financial statements

Group	Attributable to owners of the parent							
	Non-Distributable				Distributable			
	Share capital RM	Exchange translation reserve RM	Employees' share option scheme reserve RM	Revaluation reserve RM	(Accumulated losses)/ Retained profits RM	Total RM	Non-controlling interests RM	Total equity 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 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 option exercised	35,766		(35,766)					
- Lapsed due to resignation	-	-	(2,027)	-	2,027	-	-	-
Total transactions with owners of the Company	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 the financial statements

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2026

Company	Non-distributable			Distributable	
	Share capital RM	Employees' share option scheme reserve ("ESOS") RM	Fair value reserve RM	Retained profits/ (Accumulated losses) RM	Total equity RM
2026					
As at 1 July 2025	**11,824,461**	**193,300**	**-**	**2,246,159**	**14,263,920**
Loss for the financial year	**-**	**-**	**-**	**(1,059,855)**	**(1,059,855)**
Fair value loss on investment in equity instrument	**-**	**-**	**(430,000)**	**-**	**(430,000)**
Total comprehensive loss for the financial year	**-**	**-**	**(430,000)**	**(1,059,855)**	**(1,489,855)**
As at 30 June 2026	**11,824,461**	**193,300**	**(430,000)**	**1,186,304**	**12,774,065**

	Non-distributable		Distributable	
	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 option 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

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2026

	Group		Company	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before tax	**(3,636,367)**	3,177,582	**(1,080,361)**	2,166,236
Adjustments for:				
Amortisation of intangible assets	**1,616**	2,020	**-**	-
Depreciation of property, plant and equipment	**356,927**	492,090	**222,675**	278,343
Dividend income	**(88,066)**	(120,608)	**(88,066)**	(120,608)
Property, plant and equipment written off	**-**	5	**-**	-
Gain on free shares received from a subsidiary	**-**	-	**-**	(40,000)
Gain on disposal of an associate	**-**	(1,133,753)	**-**	(1,945,000)
Gain on disposal of a subsidiary	**-**	-	**(194,268)**	-
Impairment loss on goodwill	**85,137**	-	**-**	-
Impairment loss on investment in subsidiaries	**-**	-	**849,710**	100,000
Loss allowances on trade receivables	**170,136**	240,188	**-**	-
Interest expense	**42,739**	7,150	**-**	-
Interest income	**(33,865)**	(42,230)	**(23,850)**	(35,990)
Inventories written down	**45,996**	34,023	**-**	-
Reversal of impairment loss on investment in subsidiaries	**-**	-	**(25,000)**	(660,000)
Share of results of an associate	**-**	(265,339)	**-**	-
Unrealised loss on foreign exchange	**654**	2,615	**-**	-
Operating (loss)/profit before working capital changes	**(3,055,093)**	2,393,743	**(339,160)**	(257,019)
Changes in working capital:				
Inventories	**120,659**	9,543	**-**	-
Trade and other receivables	**(5,042)**	169,858	**2,000**	12,501
Trade and other payables	**(373,002)**	(2,005,440)	**24,416**	(4,546)
Amount due from subsidiaries	**-**	-	**(1,905)**	477,936
Contract liabilities	**853,624**	(933,146)	**-**	-
Cash (used in)/generated from operations	**(2,458,854)**	(365,442)	**(314,649)**	228,872
Dividends received	**88,066**	120,608	**88,066**	120,608
Interest paid	**(42,739)**	(7,150)	**-**	-
Tax refunded	**88,411**	15,938	**88,411**	1,000
Tax paid	**(239,126)**	(527,174)	**(865)**	(1,010)
Net cash (used in)/from operating activities	**(2,564,242)**	(763,220)	**(139,037)**	349,470

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2026

	Group		Company	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of shares in subsidiaries	**-**	-	**-**	(140,888)
Repayment from subsidiaries	**-**	-	**195,000**	220,059
Advance to subsidiaries	**-**	-	**(20,000)**	(100,000)
Capital contribution to subsidiaries	**-**	-	**(410,000)**	(800,000)
Interest received	**33,865**	42,230	**23,850**	34,483
Interest received from subsidiaries	**-**	-	**-**	1,507
Placement of fixed deposit pledged	**(197,190)**	(203,551)	**(23,691)**	(34,144)
Proceeds from disposal of a subsidiary	**-**	-	**194,270**	-
Purchase of property, plant and equipment	**(36,595)**	(331,437)	**-**	-
Net cash used in investing activities	**(199,920)**	(492,758)	**(40,571)**	(818,983)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares	**-**	313,107	**-**	313,107
Subscription of shares in subsidiaries by non-controlling interest	**-**	41,112	**-**	-
Net cash from financing activities	**-**	354,219	**-**	313,107
Net changes in cash and cash equivalents	**(2,764,162)**	(901,759)	**(179,608)**	(156,406)
Effect of exchange rate changes on cash and bank balances	**(654)**	(2,615)	**-**	-
Foreign currency translation differences	**(43,802)**	(149,185)	**-**	-
Cash and cash equivalents at beginning of the financial year/period	**5,427,632**	6,481,191	**2,825,174**	2,981,580
Cash and cash equivalents at end of financial year/period (Note (i))	**2,619,014**	5,427,632	**2,645,566**	2,825,174

The accompanying notes form an integral part of the financial statements

For the financial year ended 30 June 2026

Note:

(i) Cash and cash equivalents are represented by:

	Group		Company	
	30.6.2026 RM	**30.6.2025 RM**	**30.6.2026 RM**	**30.6.2025 RM**
Fixed deposit	**1,541,563**	1,344,373	**1,110,059**	1,086,368
Short term investment	**2,542,014**	2,653,948	**2,542,014**	2,653,948
Cash on hand and at banks	**1,403,848**	2,773,684	**103,552**	171,226
Bank overdraft	**(1,326,848)**	-	**-**	-
	4,160,577	6,772,005	**3,755,625**	3,911,542
Less: Pledged fixed deposit	**(1,541,563)**	(1,344,373)	**(1,110,059)**	(1,086,368)
	2,619,014	5,427,632	**2,645,566**	2,825,174

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

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 23 October 2026.

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 year, the Group and the Company have applied several amendments that become effective mandatorily for the financial periods beginning on or after 1 July 2025. 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 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

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 121	Translation to a Hyperinflationary Presentation Currency

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 (Cont'd)

Amendments to MFRS 19	Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 128	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures

Effective for the financial periods beginning on or after 1 January 2029

MFRS 20	Regulatory Assets and Regulatory Liabilities

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

The Group and the Company will adopt the above standards when they become effective in the respective financial periods. Except as otherwise indicated below, the adoption of the above new standards, amendments and interpretation are not expected to have significant impact on the financial statements of the Group and of the Company when they are effective.

MFRS 18

The adoption of MFRS 18 might change certain presentation and disclosure in the financial statements. However, it will not impact the recognition or measurement of items in the financial statements.

(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. The individual financial statements of the Group's foreign operations are measured using the currency of the primary economic environment in which they operate ("the functional currency").

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 costs 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.

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 is 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 settlement is neither planned nor likely in the foreseeable future and are, in substance, considered part of the Company's investment in subsidiaries.

Non-controlling interests

Non-controlling interests represent 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.

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 is 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 decreases 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 is 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.

(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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Foreign currencies (Cont'd)

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 depreciation and impairment, except for freehold land and office lot, which are measured under the revaluation model.

(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.

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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

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

(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.

(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 year.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

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

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

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 property is measured at fair value and is included in the statements of financial position at its 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 it arises.

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.

(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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(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 amounts 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).

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.

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 (Cont'd)

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.

(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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Financial instruments (Cont'd)

(v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party.

On derecognition of a financial asset 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.

(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 requires 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.

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)

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

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

The Group and the Company consider the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that a financial asset is 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 are 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.

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 in 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 of 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 exists. 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.

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

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

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

(a) Software installation and commissioning

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

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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(l) 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 consume and receive 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 solutions 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 a point in time when control transfers to the customer upon the completion of the installation of the solar panels. Payment is generally due within 30 to 60 days from invoice date.

(b) Operation and maintenance services ("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.

(c) Sale of solar equipment and materials

The Group also sells solar equipment and materials to customers on a standalone basis. Revenue from the sale of goods is recognised at a point in time when control of the goods is transferred to the customer, generally upon delivery and acceptance by the customer. Payment is generally due within 0 to 60 days.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(l) 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 has 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 consume and receive the benefits provided by the Company. Payment is generally due within the same financial year.

(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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

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

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

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

The fair value of the employee share 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 weighted 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

Government grants/assistance are 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 grants/assistances 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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(o) Borrowing costs

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

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

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

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

(p) 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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(q) Income taxes (Cont'd)

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 are 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.

(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 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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(t) Related parties (Cont'd)

(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.

(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 JUDGEMENTS AND ESTIMATES

The 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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

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.

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) 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 determine the fair value using a market approach, whereby an Enterprise Value ("EV")/Revenue multiple is applied to the maintainable revenue of the investee's trading business, with adjustments made for the fair value of non-operating assets and net debt. The valuation also incorporates discounts for lack of control and lack of marketability to reflect the Group's and the Company's minority interest in the unlisted investee. The determination of fair value involves significant judgement in selecting the appropriate valuation methodology and key assumptions and inputs, including the EV/Revenue multiple, maintainable revenue, fair value of non-operating assets, net debt and discounts for lack of control and marketability. 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.

(ii) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill. The carrying amount of goodwill is disclosed in Note 10 to the financial statements.

(iii) 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 requires 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.

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	Total RM
2026						
At Valuation/Cost						
Balance at beginning	**2,000,000**	**415,164**	**1,057,306**	**491,500**	**4,422,055**	**8,386,025**
Addition	**-**	**-**	**7,067**	**29,528**	**-**	**36,595**
Written off	**-**	**-**	**(80,778)**	**(22,751)**	**-**	**(103,529)**
Balance at end	**2,000,000**	**415,164**	**983,595**	**498,277**	**4,422,055**	**8,319,091**
Accumulated depreciation						
Balance at beginning	**-**	**415,162**	**942,370**	**460,130**	**2,542,680**	**4,360,342**
Current charge	**-**	**-**	**118,467**	**17,357**	**221,103**	**356,927**
Written off	**-**	**-**	**(80,778)**	**(22,751)**	**-**	**(103,529)**
Balance at end	**-**	**415,162**	**980,059**	**454,736**	**2,763,783**	**4,613,740**
Carrying amount	**2,000,000**	**2**	**3,536**	**43,541**	**1,658,272**	**3,705,351**

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (Cont'd)

	Freehold land and office lot RM	Motor vehicles RM	Computer equipment RM	Furniture, fittings and office equipment RM	Renovation RM	Total RM
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

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company

	Computer equipment RM	Furniture and fittings RM	Renovation RM	Total RM
2026				
At Cost				
Balance at beginning/end	**27,917**	**90,351**	**4,422,054**	**4,540,322**
Accumulated depreciation				
Balance at beginning	**27,916**	**87,597**	**2,542,682**	**2,658,195**
Current charge	**-**	**1,572**	**221,103**	**222,675**
Balance at end	**27,916**	**89,170**	**2,763,784**	**2,880,870**
Carrying amount	**1**	**1,181**	**1,658,270**	**1,659,452**
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

(a) The freehold land and office lot of the Group are pledged to a licensed bank for overdraft facility granted to a subsidiary as disclosed in Note 20 to the financial statements.

(b) The Group's motor vehicle with a carrying amount of RM2 (2025: RM2) is registered in the name of a Director, held in trust for the Group.

(c) 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 is 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 has assessed the fair values of the freehold land and office lot by obtaining market values of the comparable properties as at 30 June 2026 and 30 June 2025. Based on the assessment, the existing book values of the freehold land and office lot as at 30 June 2026 and 30 June 2025 were not materially different from the assessment performed.

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

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Details of Level 3 fair value measurements are as follows:

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Comparison approach based on transactions of similar properties, with consideration given to factors such as size, time element and other relevant factors.	Price per square foot: RM797 (2025: RM797)	The higher the price per square foot, the higher the fair value. If the price per square foot was 10% higher/lower while all other variables were held constant, the carrying amount would increase/ decrease by RM200,000 (2025: RM200,000).

Had the freehold land and office lot been measured at historical cost basis, their carrying amount would have been RM920,049 (2025: RM925,965).

6. INVESTMENT PROPERTY

	Group	
	2026 RM	2025 RM
At valuation		
Balance at beginning/end	**750,000**	750,000

The investment property comprises a shop lot and is held to earn rental income and for capital appreciation.

The carrying amounts of the investment property as at 30 June 2026 and 30 June 2025 were based on desktop valuation update dated 22 July 2026 performed by Henry Butcher Malaysia Sdn. Bhd., with reference to the previous valuation report dated 29 April 2024.

Fair value is determined primarily based on investment and comparison approaches. The fair value measurements of the investment property are based on the highest and best use, which do not differ from their actual use.

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

Details of Level 3 fair value measurements are as follows:

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Comparison approach based on recent transactions of comparable properties, adjusted for differences in size and time elements.	Price per square foot: RM3,165 (2025: RM3,165)	The higher the price per square foot, the higher the fair value. If the price per square foot was 10% higher/lower while all other variables were held constant, the carrying amount would increase/ decrease by RM75,000 (2025: RM75,000).

6. INVESTMENT PROPERTY (CONT'D)

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

	Group	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Rental income	**29,400**	34,200
Direct operating expense (income generating)	**(7,449)**	(8,867)

7. INVESTMENT IN SUBSIDIARIES

	Company	
	2026 RM	2025 RM
Unquoted shares, at cost		
Balance at beginning	**8,063,299**	7,882,411
Addition	**-**	180,888
Disposal	**(2)**	-
Balance at end	**8,063,297**	8,063,299
Capital contribution to subsidiaries		
Balance at beginning	**10,494,793**	9,834,852
Net addition	**215,000**	659,941
Balance at end	**10,709,793**	10,494,793
	18,773,090	18,558,092
Accumulated impairment loss		
Balance at beginning	**13,556,460**	14,116,460
Addition	**849,710**	100,000
Reversal	**(25,000)**	(660,000)
Balance at end	**14,381,170**	13,556,460
	4,391,920	5,001,632

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 2026 %	2025 %	Principal activities
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 2]	Singapore	**-**	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**	80	Provision of solar panel installation services which include engineering, procurement, construction and commissioning services in solar energy solutions to customers and the provision of its related services.
Ygl Haltech Sdn. Bhd.	Malaysia	**76**	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.
[2] Strike off during the financial year.

(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.

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

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

	2026	2025
NCI percentage of ownership and voting interest	**20%**	20%
Carrying amount of NCI (RM)	**372,514**	434,515
(Loss)/Profit allocated to NCI (RM)	**(62,001)**	274,601
Total comprehensive (loss)/income allocated to NCI (RM)	**(62,001)**	274,601

The summarised financial information before intragroup elimination is as follows:

	2026 RM	2025 RM
Asset and liabilities:		
Non-current assets	**16,284**	22,975
Current assets	**2,806,810**	3,458,167
Non-current liabilities	**(13,049)**	(35,780)
Current liabilities	**(947,473)**	(1,272,786)
Net assets	**1,862,572**	2,172,576

	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Results:		
Revenue	**2,580,186**	9,335,881
Net (loss)/profit for the financial year/period	**(310,003)**	1,373,006
Total comprehensive (loss)/income for the financial year/ period	**(310,003)**	1,373,006
Cash flows:		
Net cash used in:		
Operating activities	**(709,957)**	(583,739)
Investing activities	**(176,027)**	(197,403)
Financing activities	**(3,657)**	(479,385)
Net decrease in cash and bank balances	**(889,641)**	(1,065,527)

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) Additional subscription in a subsidiary

In previous financial period, the Company and its subsidiary, Ygl Convergence Malaysia Sdn. Bhd., subscribed for 140,128 and 14,000 new ordinary shares, respectively, in Ai Solar Sdn. Bhd. The subscriptions did not change the Group's ownership percentage in Ai 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 Ai 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.

(d) 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 RM849,710 (2025: RM100,000) 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 year, an impairment loss of RM25,000 was reversed following the recovery of a capital contribution from a subsidiary which had previously been fully impaired. The reversal was recognised in profit or loss.

(e) Strike off of Ygl Technologies Pte. Ltd.

During the financial year, Ygl Technologies Pte. Ltd. was strike off from the register of the 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. The effect arising from the deconsolidation during the financial year is as follows:

	RM
Proceeds from disposal	**194,270**
Less: Cost of investment disposed	**(2)**
Gain on disposal	**194,268**

8. INVESTMENT IN AN ASSOCIATE

	Group	
	2026 RM	2025 RM
Unquoted shares, at cost	**-**	1,475,000
Share of post acquisition result	**-**	811,247
Gain on disposal of an associate	**-**	1,133,753
	-	3,420,000
Reclassification to investment in an equity instrument (Note 9)	**-**	(3,420,000)
	-	-

8. INVESTMENT IN AN ASSOCIATE (CONT'D)

	Company	
	2026 RM	2025 RM
Unquoted shares, at cost	-	1,475,000
Gain on disposal of an associate recognised in profit or loss	-	1,945,000
	-	3,420,000
Reclassification to investment in an equity instrument (Note 9)	-	(3,420,000)
	-	-

In the previous financial period, 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. Accordingly, YGL iBay ceased to be an associate of the Group and the Company from that date.

In the Group's financial statements, the investment in YGL iBay had previously been accounted for using the equity method. Upon cessation of significant influence, the Group remeasured its retained equity interest to its 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 was recognised as gain on disposal of an associate in profit or loss.

In the Company's separate financial statements, the investment in YGL iBay had previously been measured at cost. Upon cessation of significant influence, 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 was recognised as gain on disposal of an associate in profit or loss.

The retained equity interest is accounted for as an equity instrument at FVTOCI in accordance with MFRS 9 and is presented as a non-current asset in the statement of financial position, as the Group does not intend to dispose of the investment within 12 months of the reporting date.

The equity method was applied by the Group up to 8 May 2025, being the date on which significant influence ceased.

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
		2026 %	2025 %	
YGL iBay International Sdn. Bhd.	Malaysia	-	9.60	Investment holding, and in the business of iron ore and other related commodities supply chain

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.

8. INVESTMENT IN AN ASSOCIATE (CONT'D)

The summarised financial information of the associate is as follows:

	8.5.2025 RM
Assets and liabilities	
Non-current assets	17,200,942
Current assets	62,953,096
Non-current liabilities	(93,639)
Current liabilities	(59,725,874)
Net assets	20,334,525

	1.4.2024 to 8.5.2025 RM
Results for the financial period	
Revenue	372,795,894
Profit for the financial period	2,763,950
Total comprehensive income for the financial period	2,763,950

9. INVESTMENT IN AN EQUITY INSTRUMENT

	Group/Company	
	2026 RM	2025 RM
Equity instrument at FVTOCI - Unquoted Shares (Note 8)	**2,990,000**	3,420,000

This investment is not held for trading. Instead, it is held for medium to long-term strategic purposes. Accordingly, the directors of the Group and the Company have elected to designate this investment in an equity instrument at FVTOCI as they believe that recognising short-term fluctuations in this investment's fair value in profit or loss would not be consistent with the Group's and the Company's strategy of holding this investment for long-term purposes and realising its performance potential in the long run.

Fair value measurement of unquoted equity investment

The Group and the Company hold a 9.6% equity interest in YGL iBay International Sdn. Bhd. ("YGL iBay"). The investment is designated as an equity instrument measured at fair value through other comprehensive income and is classified within Level 3 of the fair value hierarchy due to the use of significant unobservable inputs in determining its fair value.

During the financial year, the valuation approach was changed from the Revalued Net Asset Value approach applied in the previous financial period to a market approach using an EV/Revenue multiple, which was considered more appropriate in reflecting the current characteristics and underlying operations of the investee. The valuation was determined by applying an EV/Revenue multiple to the maintainable revenue of YGL iBay's trading business, adjusted for non-operating assets, net debt, the non-controlling nature of the interest and lack of marketability.

9. INVESTMENT IN AN EQUITY INSTRUMENT (CONT'D)

Reconciliation of Level 3 Fair Value Measurement:

	2026 RM	2025 RM
Balance at beginning	**3,420,000**	-
Addition	**-**	3,420,000
Fair value loss recognised in other comprehensive income	**(430,000)**	-
Balance at end	**2,990,000**	3,420,000

The base EV/Revenue multiple of 0.7x corresponds with the average EV/Revenue multiple of the identified comparable companies, while maintainable revenue of RM29,400,000 was derived by annualising the revenue of RM12,250,000 for the five months ended 31 May 2026. The valuation also incorporates RM11,900,000 relating to the amount due from Dragon Field International Limited ("DFIL") which management represented as recoverable.

An increase in the EV/Revenue multiple, maintainable revenue or recoverability of the amount due from DFIL would result in an increase in the fair value of the investment, while a decrease in these inputs would result in a lower fair value.

The significant unobservable inputs used in the fair value measurement and the sensitivity to reasonably possible changes in those inputs, while all other variables are held constant, are as follows:

Significant unobservable input	Base assumption	Reasonably possible change	Effect on fair value of investment
EV/Revenue multiple	0.7x	Decrease to 0.6x	Decrease of approximately RM0.3 million
		Increase to 0.8x	Increase of approximately RM0.3 million
Maintainable revenue	RM29,400,000	Decrease by 10%	Decrease of approximately RM0.2 million
		Increase by 10%	Increase of approximately RM0.2 million
Recoverability of amount due from DFIL	100% of RM11,900,000	Decrease to 90%	Decrease of approximately RM0.1 million
		Decrease to 80%	Decrease of approximately RM0.2 million
DLOC/DLOM	10%	Decrease to 0%	Increase of approximately RM0.3 million
		Increase to 20%	Decrease of approximately RM0.3 million

10. INTANGIBLE ASSETS

Group

	Goodwill RM	Club memberships RM	Total RM
2026			
At cost			
Balance at beginning/end	**1,319,283**	**50,000**	**1,369,283**
Accumulated amortisation			
Balance at beginning	**-**	**21,824**	**21,824**
Current charge	**-**	**1,616**	**1,616**
Balance at end	**-**	**23,440**	**23,440**
Accumulated impairment loss			
Balance at beginning	**1,234,146**	**2,000**	**1,236,146**
Addition	**85,137**	**-**	**85,137**
Balance at end	**1,319,283**	**2,000**	**1,321,283**
Carrying amount	**-**	**24,560**	**24,560**
2025			
At cost			
Balance at beginning/end	1,319,283	50,000	1,369,283
Accumulated amortisation			
Balance at beginning	-	19,804	19,804
Current charge	-	2,020	2,020
Balance at end	-	21,824	21,824
Accumulated impairment loss			
Balance at beginning/end	1,234,146	2,000	1,236,146
Carrying amount	85,137	26,176	111,313

(a) Goodwill

For the purpose of impairment testing, 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 end of the previous financial year, the remaining carrying amount of goodwill was allocated to two individual CGUs, namely Ai Solar Sdn. Bhd. (RM84,982) and Ygl Technologies Sdn. Bhd. (RM155).

10. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill (Cont'd)

During the financial year, the Group performed its annual impairment assessment of goodwill allocated to Ai Solar Sdn. Bhd. and Ygl Technologies Sdn. Bhd. The recoverable amounts of the respective CGUs were determined based on value-in-use calculations using cash flow projections approved by management.

Based on the impairment assessment, the recoverable amounts of the respective CGUs were insufficient to support the carrying amounts of the goodwill allocated to the CGUs. Accordingly, the Group recognised an impairment loss of RM85,137, comprising RM84,982 relating to Ai Solar Sdn. Bhd. and RM155 relating to Ygl Technologies Sdn. Bhd., resulting in the full impairment of the goodwill allocated to these CGUs. The impairment loss was recognised in profit or loss.

The value-in-use calculations were determined using projected cash flows for a five-year period and by extrapolation using a growth rate based on historical experience, management's assessment of future trends and expectations of market developments 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 of 5% used is consistent with the long-term average growth rate for the industry.

iii. Pre-tax discount rate

The pre-tax discount rate of 5.50% (2025: 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.

(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.

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	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Cost of inventories recognised as cost of sales	**1,428,549**	5,161,704
Inventories written down	**45,996**	34,023
Inventories recognised as expenses (included in cost of sales)	**1,474,545**	5,195,727

12. TRADE AND OTHER RECEIVABLES

	Note	Group	
		2026 RM	2025 RM
Trade			
Gross amount	(a)	**3,011,767**	3,268,881
Allowance for impairment loss	(b)	**(639,745)**	(496,429)
Trade receivables, net		**2,372,022**	2,772,452
Non-trade			
Third parties		**27,309**	36,086
Related parties	(c)	**2,454**	19,319
Refundable deposits		**48,235**	63,996
Prepayment		**31,434**	96,014
Contract costs		**797,618**	459,643
		907,050	675,058
		3,279,072	3,447,510

	Company	
	2026 RM	2025 RM
Non-trade		
Prepayment	**504**	2,504

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables are non-interest bearing and are generally on 0 to 90 days credit terms (2025: 30 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) The movement in impairment loss during the financial year/period was:

	Group	
	2026 RM	**2025 RM**
Balance at beginning	**496,429**	256,241
Additions	**170,136**	240,188
Reversal	**(26,820)**	-
Balance at end	**639,745**	496,429

(c) 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, noninterest bearing, repayable on demand and expected to be settled in cash.

13. AMOUNT DUE FROM SUBSIDIARIES

	Company	
	2026 RM	**2025 RM**
Non-interest bearing	**75,308**	53,403

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

14. CASH AND BANK BALANCES

	Group	
	2026 RM	**2025 RM**
Fixed deposit	**1,541,563**	1,344,373
Short-term investment	**2,542,014**	2,653,948
Cash on hand and at banks	**1,403,848**	2,773,684
	5,487,425	6,772,005

14. CASH AND BANK BALANCES (CONT'D)

	Company	
	2026 RM	2025 RM
Fixed deposits	**1,110,059**	1,086,368
Short-term investment	**2,542,014**	2,653,948
Cash on hand and at banks	**103,552**	171,226
	3,755,625	3,911,542

The Group's fixed deposits with a licensed bank are pledged as security for banking facilities granted to a subsidiary as disclosed in Note 20 to the financial statements. The effective interest rates on the fixed deposits range from 1.95% to 2.60% (2025: 2.20% to 2.75%) per annum and the deposits have maturity periods 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

	Number of shares	
Group/Company	2026 Unit	2025 Unit
Issued and fully paid ordinary shares (no par value):		
Balance at beginning	**273,716,889**	271,714,540
Allotment of shares	**-**	2,002,349
Balance at end	**273,716,889**	273,716,889

	Amount	
	2026 RM	2025 RM
Issued and fully paid ordinary shares (no par value):		
Balance at beginning	**11,824,461**	11,475,588
Allotment of shares	**-**	348,873
Balance at end	**11,824,461**	11,824,461

In previous 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;
(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;
(c) issued 170,000 new ordinary shares at a price of RM0.29 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 RM0.33 per ordinary share pursuant to the exercise of share options under the ESOS.

15. SHARE CAPITAL (CONT'D)

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.

16. OTHER RESERVES

		Group	
	Note	2026 RM	2025 RM
Non-distributable reserve			
Exchange translation reserve	(a)	**573,624**	615,712
ESOS reserve	(b)	**193,300**	193,300
Revaluation reserve	(c)	**960,988**	960,988
Fair value reserve	(d)	**(430,000)**	-
		1,297,912	1,770,000

		Company	
	Note	2026 RM	2025 RM
Non-distributable reserve			
Exchange translation reserve	(a)	-	-
ESOS reserve	(b)	**193,300**	193,300
Revaluation reserve	(c)	**-**	-
Fair value reserve	(d)	**(430,000)**	-
		(236,700)	193,300

(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 data 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.

16. OTHER RESERVES (CONT'D)

(b) ESOS reserve (Cont'd)

The salient features of the ESOS are as follows:

(i) The total number of new ordinary shares which are available to be issued under the ESOS shall not in aggregate exceed thirty percent (30%) of the total issued and fully paid-up share capital (excluding treasury shares, if any) of the Company at any point in time during the duration of the scheme.

(ii) A person shall be eligible to participate in the ESOS if, as at the date of offer, has attained the age of at least eighteen (18) years old; not be an undischarged bankrupt nor subject to any bankruptcy proceedings; be a Director of the Group or be a full-time employee confirmed in service and served at least six continuous months within the Group and has not served a notice to resign prior to the date of offer ("Eligible Person"). Eligibility to participate in the scheme does not confer on an Eligible Person a claim or right to participate in the scheme unless the ESOS Committee has made an offer and the Eligible Person has accepted the offer in accordance with the terms of the offer and the scheme. The selection of any Eligible Person to participate in the scheme shall be at the discretion of the ESOS Committee.

(iii) At the Directors' absolute discretion, upon recommendation of the ESOS Committee, the scheme may be extended for a further five (5) years or such shorter period from the expiry of the first five (5) years, without any approval from the shareholders of the Company in a general meeting.

(iv) The option price at which the grantee is entitled to subscribe for each new ordinary share shall be fixed based on the five (5) day volume weighted average market price of the Company's shares, as quoted on Bursa Malaysia Securities Berhad, immediately preceding the offer date with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities.

(v) The new ordinary shares to be allocated and issued upon any exercises of the option will, upon such allotment and issuance, rank pari passu in all respects with the then existing issued and fully paid-up shares of the Company, except that the new ordinary shares so allotted and issued will not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date precedes the date of allotment of the new ordinary shares.

(vi) The new ordinary shares allotted and issued pursuant to the exercise of an ESOS option will not be subjected to any retention period or restriction on transfer. However, an eligible Director who is a non-executive Director in the Group shall not sell, transfer or assign the Company's shares obtained through the exercise of the ESOS options granted to him within one (1) year from the offer date.

16. OTHER RESERVES (CONT'D)

(b) ESOS reserve (Cont'd)

Movement of share options during the financial year

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

	2026 Number of share option unit	WAEP RM	2025 Number of share option unit	WAEP RM
Batch 1				
Grant date	**6 November 2017**		6 November 2017	
Balance at beginning	**1,427,000**	0.16	1,597,000	0.16
Lapsed due to resignation	**-**	0.16	-	0.16
Exercised	**-**	0.16	(170,000)	0.16
Balance at end	**1,427,000**	0.16	1,427,000	0.16

	2026 Number of share option unit	WAEP RM	2025 Number of share option unit	WAEP RM
Batch 2				
Grant date	**21 April 2021**		21 April 2021	
Balance at beginning	**35,000**	0.19	150,000	0.19
Lapsed due to resignation	**-**	0.19	(15,000)	0.19
Exercised	**-**	0.19	(100,000)	0.19
Balance at end	**35,000**	0.19	35,000	0.19

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

16. OTHER RESERVES (CONT'D)

(b) ESOS reserve (Cont'd)

Fair value of share options granted (Cont'd)

The expected life of the options is based on historical data 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

The revaluation reserve consists of surplus from revaluation of properties in subsidiaries.

(d) Fair value reserve

The fair value reserve represents cumulative fair value changes on financial assets measured at FVTOCI, recognised through other comprehensive income.

17. DEFERRED TAX LIABILITIES

	Group	
	2026 RM	2025 RM
Balance at beginning/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	
	2026 RM	2025 RM
Current		
- Software installation, commissioning, post-contract support and maintenance services	**1,763,901**	974,686
- Solar panel installation, operation and maintenance services	**192,034**	107,085
	1,955,935	1,081,771
Non-current		
- Solar panel installation, operation and maintenance services	**13,049**	35,780
	1,968,984	1,117,551

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.

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:

	Group	
	2026 RM	2025 RM
Within one year	**192,034**	107,085
One year to five years	**13,049**	35,780
	205,083	142,865

The movements in contract liabilities are as follows:

	Group	
	2026 RM	2025 RM
Balance at beginning	**1,117,551**	2,061,403
Consideration received	**5,371,199**	9,413,853
Revenue recognised	**(4,519,766)**	(10,357,705)
Balance at end	**1,968,984**	1,117,551

19. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Trade					
Third parties	(a)	**497,532**	883,971	**-**	-
Non-trade					
Third parties		**128,223**	185,890	**1,609**	7,193
Accruals		**361,440**	448,778	**98,000**	68,000
Director	(b)	**200,000**	200,000	**-**	-
Refundable deposits	(c)	**205,985**	50,410	**-**	-
		895,648	885,078	**99,609**	75,193
		1,393,180	1,769,049	**99,609**	75,193

19. TRADE AND OTHER PAYABLES (CONT'D)

(a) The normal trade credit terms granted to the Group range from 30 to 90 days (2025: 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 BORROWING

	Group	
	2026 RM	2025 RM
Secured		
Bank overdraft	**1,326,848**	-

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

	2026 %	2025 %
Secured		
Bank overdraft	**10.65**	-

The bank overdraft is secured and subject to an approved facility limit of RM1,400,000.

The borrowings were secured by way of:

(i) The facility agreement,
(ii) Pledge of the Group's freehold land and office lot (Note 5),
(iii) Jointly and severally guaranteed by certain Directors of the Company,
(iv) Corporate guarantee by the Company, and
(v) Pledge of the Company's fixed deposit (Note 14).

21. REVENUE

	Group	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Software implementation services:		
- Consultancy services and sale of hardware	**205,537**	271,389
- Software installation, commissioning, post-contract support and maintenance services	**2,431,295**	6,423,494
Solar panel installation, operation and maintenance services:		
- Sale of solar equipment and materials	**404,630**	
- Solar panel installation, operation and maintenance services	**2,175,556**	9,335,881
	5,217,018	16,030,764

	Company	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Management fees	**10,000**	10,000

Disaggregation of revenue

	Group	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Primary geographical markets		
- Malaysia	**4,265,344**	14,599,667
- Hong Kong	**951,674**	1,431,097
	5,217,018	16,030,764
Timing of recognition		
At a point in time	**2,344,631**	6,554,822
Over time	**2,872,387**	9,475,942
	5,217,018	16,030,764

21. REVENUE (CONT'D)

	Company	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Primary geographical markets		
Malaysia	**10,000**	10,000
Timing of recognition		
Over time	**10,000**	10,000

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	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Within one year		
- Software installation, commissioning, post-contract support and maintenance services	**2,570,316**	1,670,800
- Solar panel installation, operation and maintenance services	**1,490,667**	1,420,071
	4,060,983	3,090,871
One year to five years		
- Solar panel installation, operation and maintenance services	**13,049**	35,780
	4,074,032	3,126,651

22. (LOSS)/PROFIT BEFORE TAX

This is arrived at after charging/(crediting):

	Note	Group		Company	
		1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Amortisation of intangible assets		**1,616**	2,020	**-**	-
Auditors' remuneration:					
- Forvis Mazars PLT					
- Statutory audit		**195,000**	192,000	**60,000**	60,000
- Assurance and related services		**8,000**	8,000	**8,000**	8,000
- Other auditors					
- Statutory audit		**33,387**	39,041	**-**	-
Depreciation of property, plant and equipment		**356,927**	492,090	**222,675**	278,343
Directors' remuneration	(a)	**553,181**	748,803	**75,000**	100,000
Dividend income					
- short-term investment		**(88,066)**	(120,608)	**(88,066)**	(120,608)
Employee benefits expenses	(b)	**4,378,540**	5,380,857	**-**	-
Lease expense for low-value assets		**4,523**	8,349	**-**	-
Lease expense for short-term leases		**133,779**	146,635	**-**	-
Gain on free shares received from a subsidiary		**-**	-	**-**	(40,000)
Gain on disposal of an associate		**-**	(1,133,753)	**-**	(1,945,000)
Gain on disposal of a subsidiary		**-**	-	**(194,268)**	-
Government grant received	(c)	**-**	(835,035)	**-**	-
Impairment loss on goodwill		**85,137**	-	**-**	-
Impairment loss on investment in subsidiaries		**-**	-	**849,710**	100,000
Loss allowances on trade receivables		**170,136**	240,188	**-**	-
Interest expenses		**42,739**	7,150	**-**	-
Interest income		**(33,865)**	(42,230)	**(23,850)**	(35,990)
Realised (gain)/loss on foreign exchange		**(5,561)**	43,221	**2,019**	-
Rental income:					
- investment property		**(29,400)**	(34,200)	**-**	-
- others		**(45,300)**	(57,400)	**-**	-
Reversal of impairment loss:					
- trade receivables		**(26,820)**	-	**-**	-
- investment in subsidiaries		**-**	-	**(25,000)**	(660,000)
Property, plant and equipment written off		**-**	5	**-**	-
Unrealised loss on foreign exchange		**654**	2,615	**-**	-

22. (LOSS)/PROFIT BEFORE TAX (CONT'D)

(a) Directors' remuneration

	Group	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Directors of the Company		
Fee	**75,000**	100,000
Salary, bonus and other emoluments	**312,182**	430,392
Contribution to defined contribution plan	**24,618**	33,484
	411,800	563,876
Directors of a subsidiary		
Fee	**53,000**	60,000
Salary, bonus and other emoluments	**79,933**	114,496
Contribution to defined contribution plan	**8,448**	10,431
	141,381	184,927
	553,181	748,803

	Company	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Directors of the Company		
Fee	**75,000**	100,000

(b) Employee benefit expenses

	Group	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Salary, allowances and bonus	**3,832,040**	4,693,641
Contributions to defined contribution plan	**412,308**	509,325
Other staff related benefits	**134,192**	177,891
	4,378,540	5,380,857

(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 CREDIT/(EXPENSE)

(a) Major components of tax credit/(expense)

	Group		Company	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Malaysian income tax:				
Income tax				
- Current year	**(39)**	(495,512)	**-**	-
- Over provision in prior year	**29,757**	11,727	**20,506**	-
	29,718	(483,785)	**20,506**	-

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2025: 24%) of the estimated assessable profit or loss for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

(b) Relationship between tax expense and accounting (loss)/profit

Reconciliation between income tax expense and the product of accounting (loss)/profit multiplied by the statutory tax rate is as follows:

	Group		Company	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
(Loss)/Profit before tax	**(3,636,367)**	3,177,582	**(1,080,361)**	2,166,236
Income tax at Malaysian statutory tax rate of 24%	**(872,728)**	762,620	**(259,287)**	519,897
Non-taxable income	**(17,665)**	(674,938)	**(14,394)**	(654,146)
Expenses not deductible for tax purposes	**723,731**	545,296	**273,681**	134,249
Changes in deferred tax assets not recognised	**166,701**	(137,466)	**-**	-
Over provision in prior year	**(29,757)**	(11,727)	**(20,506)**	-
	(29,718)	483,785	**(20,506)**	-

23. TAX CREDIT/(EXPENSE) (CONT'D)

(b) Relationship between tax expense and accounting (loss)/profit (Cont'd)

Deferred tax assets have not been recognised in respect of these items as it is not probable that the future taxable profit of the Group will be available against which the deductible temporary differences can be utilised.

	Group		Company	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Property, plant and equipment	**(18,116)**	15,468	**-**	-
Unutilised tax losses	**(9,884,285)**	(8,285,739)	**-**	-
Unutilised capital allowances	**(9,043)**	-	**-**	-
Unutilised pioneer losses	**(303,002)**	(2,305,778)	**-**	-
Contract liabilities	**(1,911,892)**	(1,045,015)	**-**	-
Inventories written down	**(80,019)**	(34,023)	**-**	-
Loss allowances of trade receivables	**(639,745)**	(496,429)	**-**	-
	(12,846,102)	(12,151,516)	**-**	-

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	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Expire in 2026	**-**	2,002,776	**-**	-
Expire in 2032	**303,002**	303,002	**-**	-
	303,002	2,305,778	**-**	-

23. TAX CREDIT/(EXPENSE) (CONT'D)

(b) Relationship between tax expense and accounting (loss)/profit (Cont'd)

Pursuant to the applicable tax legislation, unutilised tax losses will expire as follows:

	Group		Company	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Expire in 2028	**6,394,778**	6,470,225	**-**	-
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	**538,443**	538,443	**-**	-
Expire in 2035	**17,025**	17,025	**-**	-
Expire in 2036	**1,673,993**	-	**-**	-
	9,884,285	8,285,739	**-**	-

Pillar Two Income Tax

The Finance (No.2) Act 2023 gazetted on 29 December 2023, introduces the global minimum tax legislation in accordance with the GloBE Rules effective from 1 January 2025. The Group is not within the scope of the global minimum tax legislation.

24. EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The basic (loss)/earnings per share are calculated based on the consolidated (loss)/profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
(Loss)/Profit after tax attributable to the owners of the Company	**(3,513,389)**	2,426,540
Weighted average number of ordinary shares	**273,716,889**	273,306,573
Basic (loss)/earnings per share (sen)	**(1.28)**	0.89

24. EARNINGS PER SHARE (CONT'D)

(b) Diluted (loss)/earnings per share

The Group has no dilution in its (loss)/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 year and before the authorisation of these financial statements.

	Group	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
(Loss)/Profit after tax attributable to the owners of the Company	**(3,513,389)**	2,426,540
Weighted average number of ordinary shares	**273,716,889**	273,306,573
Diluted (loss)/earnings per share (sen)	**(1.28)**	0.89

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 decision making and resource allocation. Transactions between segments were entered into in the normal course of business and were established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segment

The Group's reportable segments are now organised as follows:

(i)	Software implementation	Provision of software installation, commissioning, support and maintenance services and its related services.
(ii)	Solar panel installation	Provision of engineering, procurement, construction and commissioning services in solar energy solutions 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.

25. SEGMENT INFORMATION (CONT'D)

30.6.2026 Group	Software implementation RM	Solar panel installation RM	Investment holding RM	Inter-group elimination RM	Total RM
Revenue					
External revenue	**2,636,832**	**2,580,186**	**-**	**-**	**5,217,018**
Inter-segment revenue	**-**	**-**	**10,000**	**(10,000)**	**-**
Total revenue	**2,636,832**	**2,580,186**	**10,000**	**(10,000)**	**5,217,018**
Results					
Segment results	**(2,942,300)**	**(327,184)**	**(1,189,348)**	**831,339**	**(3,627,493)**
Interest income					**33,865**
Interest expense					**(42,739)**
Loss before tax					**(3,636,367)**
Tax credit					**29,718**
Loss for the financial year					**(3,606,649)**
Assets					
Segment assets	**7,126,226**	**2,731,024**	**12,787,672**	**(6,046,090)**	**16,598,832**
Current tax assets					**247,393**
Total assets					**16,846,225**

25. SEGMENT INFORMATION (CONT'D)

30.6.2026 Group	Software implementation RM	Solar panel installation RM	Investment holding RM	Inter-group elimination RM	Total RM
Liabilities					
Segment liabilities	**5,294,189**	**960,522**	**99,609**	**(1,665,308)**	**4,689,012**
Deferred tax liabilities					**106,776**
Total liabilities					**4,795,788**
Other segment information					
Addition to non-current assets	**34,067**	**2,528**	**-**	**-**	**36,595**
Other material non-cash item:					
Depreciation and amortisation	**126,649**	**9,219**	**222,675**	**-**	**358,543**
Net remeasurement of loss allowances	**116,429**	**26,887**	**-**	**-**	**143,316**

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

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	4,019,175	1,210,244	75,193	(2,418,012)	2,886,600
Current tax liabilities					99,081
Deferred tax liabilities					106,776
Total liabilities					3,092,457
Other segment information					
Addition to non-current assets	303,441	27,996	-	-	331,437
Other material non-cash item:					
Depreciation and amortisation	203,752	12,015	278,343	-	494,110
Net remeasurement of loss allowances	202,603	37,585	-	-	240,188
Gain on disposal of an associate	-	-	(1,133,753)	-	(1,133,753)

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. Revenue and total non-current assets information based on the geographical location of customers is as follows:

	Revenue		Non-current assets	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM	2026 RM	2025 RM
Malaysia	**4,265,344**	14,599,667	**4,479,911**	4,886,996
Asia Pacific	**951,674**	1,431,097	**-**	-
	5,217,018	16,030,764	**4,479,911**	4,886,996

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	
	2026 RM	2025 RM
Property, plant and equipment	**3,705,351**	4,025,683
Investment property	**750,000**	750,000
Intangible assets	**24,560**	111,313
	4,479,911	4,886,996

Major customers

Total revenue from one (2025: Nil) major customer which individually contributed more than 10% of the Group's total revenue amounted to RM1,056,880 (2025: RM Nil).

26. RELATED PARTY DISCLOSURES

(a) Identity of related parties

The Group and the Company have related party relationships with their subsidiaries, 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.

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 year:

	Group		Company	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Transactions with a related party				
Cost sharing	**10,861**	47,965	**-**	8,143
Professional fees and disbursements paid	**4,525**	2,052	**-**	-
Sales	**1,800**	1,944	**-**	-
Transactions with subsidiaries				
Operations fund provided	**-**	-	**410,000**	300,000
Interest income	**-**	-	**-**	1,507
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 other than directors during the financial year is as follows:

	Group	
	1.7.2025 to 30.6.2026 RM	1.4.2024 to 30.6.2025 RM
Salary, bonus and other emoluments	**418,165**	605,584
Contributions to defined contribution plan	**49,277**	71,747
	467,442	677,331

27. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Financial assets				
Amortised cost				
Trade and other receivables	**2,450,020**	2,891,853	**-**	-
Amount due from subsidiaries	**-**	-	**75,308**	53,403
Cash and bank balances	**5,487,425**	6,772,005	**3,755,625**	3,911,542
	7,937,445	9,663,858	**3,830,933**	3,964,945
FVTOCI				
Equity instrument designated at FVTOCI	**2,990,000**	3,420,000	**2,990,000**	3,420,000
Financial liabilities				
Amortised cost				
Trade and other payables	**1,393,180**	1,769,049	**99,609**	75,193
Borrowings	**1,326,848**	-	**-**	-
	2,720,028	1,769,049	**99,609**	75,193

Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their 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 policies are 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 policies are not to engage speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks:

(i) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Group's exposure to credit risk arises principally from trade receivables. The Company's exposure to credit risk arises principally from advances to subsidiaries. There are no significant changes as compared to prior periods.

27. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

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 3 (2025: 2) customers, the balances of each is equal to or more than 10% of total balances of trade receivables constituting 52% (2025: 25%) 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 applies the simplified approach under MFRS 9 to measure the loss allowance for trade receivables at an amount equal to 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. Balances exceeding 240 days past due are considered an indicator of credit impairment and are assessed based on the relevant facts and circumstances, including the expected recoverability of the outstanding balances.

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.

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			
2026			
Gross amount			
Current (not past due)	**967,147**	**(41,322)**	**925,825**
1 to 60 days past due	**481,197**	**(16,470)**	**464,727**
61 to 120 days past due	**330,662**	**(50,843)**	**279,819**
121 to 180 days past due	**82,596**	**(23,748)**	**58,848**
181 to 240 days past due	**15,719**	**(6,015)**	**9,704**
More than 240 days past due	**964,792**	**(331,693)**	**633,099**
Individually impaired	**169,654**	**(169,654)**	**-**
	3,011,767	**(639,745)**	**2,372,022**
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)	-
	3,268,881	(496,429)	2,772,452

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

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. The Group assesses the expected credit losses on these receivables and recognises the appropriate loss allowance accordingly.

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 advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries and monitors the ability of the subsidiaries to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amount in the Company's statement of financial position. Advances provided are not secured by any collateral or supported by any other credit enhancements.

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.

27. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

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 the Company are of the view that the loss allowance is not material and hence, it is not provided for.

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 (2025: RM1,400,000). The maximum exposure to credit risk amounted to RM1,326,848 (2025: RM Nil), representing the outstanding overdraft facility of the subsidiary as at the reporting date.

The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary. As at the end of the reporting period, there was no indication that the subsidiary would default on repayment.

The fair value of the financial guarantee has not been recognised at inception 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 exposure to the risk of changes in market interest rates is related primarily to bank borrowings at floating interest rates.

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 rate risk arises mainly from interest-bearing financial assets and liabilities.

27. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

(iii) Interest rate risk (Cont'd)

Exposure to 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 year was:

	Group		Company	
	30.6.2026 RM	30.6.2025 RM	30.6.2026 RM	30.6.2025 RM
Fixed rate instruments:				
Financial assets	**1,541,563**	1,344,373	**1,110,059**	1,086,368
Floating rate instruments:				
Financial liabilities	**1,326,848**	-	**-**	-

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 variable rate instruments

A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased/ (decreased) the Group's pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group	
	Impact on profit before tax	
	100 bp increase RM	100 bp decrease RM
2026		
Floating rate instruments:		
Bank borrowings	**(13,268)**	**13,268**

(iv) Foreign currency risk

The objective of the Group's and the Company's foreign exchange policies is 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.

27. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

(iv) Foreign currency risk (Cont'd)

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	
	2026 RM	2025 RM
Cash and bank balances	**20,014**	20,666
Trade and other payables	**-**	(254,383)
	20,014	(233,717)

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 affect profit after tax by the amount shown below and a corresponding weakening would have an equal but opposite effect:

	Effect on profit after tax	
	2026 RM	2025 RM
USD	**(2,001)**	23,372

28. FAIR VALUE INFORMATION

Fair value measurement of non-financial assets

The fair value measurement hierarchies used to measure non-financial assets at fair value in the statements of financial position are disclosed in Note 5 and Note 6 to the financial statements.

Financial instruments other than those carried at fair value

Financial instruments 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 maximise shareholders', stakeholders' and market confidence and to sustain future development of the business.

The Group manages and determines the capital structure and policies in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or selling assets to reduce debts. No changes were made in the objectives, policies and processes during the financial year under review as compared to the previous financial period.

The Group manages capital by regularly monitoring its liquidity requirements rather than using debt/equity ratio and the Group did not breach any covenants imposed by its lender on the Group as at the end of the reporting period.

30. 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 into a 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. As at the reporting date, the Group considers that an outflow of resources embodying economic benefits is not probable. Accordingly, no provision has been recognised in the financial statements.

31. COMPARATIVE INFORMATION

The financial statements for the current financial year are prepared for a period of 12 months from 1 July 2025 to 30 June 2026. The comparative financial information is presented for a period of 15 months from 1 April 2024 to 30 June 2025 following the change of the Company's financial year end from 31 March to 30 June in the previous financial period. Accordingly, the comparative amounts presented in the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes to the financial statements are not directly comparable with those of the current financial year.

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, 9th Floor, Wisma UOA II, No. 21, Jalan Pinang, 50450 Kuala Lumpur	One office unit held under GRN46212 master issue document for title at H.S. (D) 87450, P.T. 35, Section 57, Town of Kuala Lumpur, District of Wilayah Persekutuan Office Use	Freehold	2,508	08.12.2000/ 01.06.2023	26	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	18	750,000

ANALYSIS OF SHAREHOLDINGS

As at 30 September 2026

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	*
620	100 - 1,000 shares	162,400	0.06
741	1,001 - 10,000 shares	4,933,500	1.80
833	10,001 to 100,000 shares	31,548,200	11.53
214	100,001 to less than 5% of issued shares	138,129,600	50.46
3	5% and above of issued shares	98,942,881	36.15
2,418	**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	CHEONG XIN YIN	5,417,900	1.98
8	TAN LAN WAH	4,518,700	1.65
9	YEAP CHOR BENG & SONS SDN BHD	4,500,000	1.64
10	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YEAP KONG YEOW*	4,060,000	1.48
11	YEAP SEONG SUN	4,000,000	1.46
12	LEE WAI MUN	3,748,600	1.37

As at 30 September 2026

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	%
13	WONG AH YONG	3,317,900	1.21
14	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR FOO CHEE BOON*	3,260,000	1.19
15	TRICOR SERVICES (MALAYSIA) SDN. BHD.	3,075,000	1.12
16	LO YOON CHOONG	2,780,000	1.02
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	2,300,000	0.84
21	TEE CHEE CHIANG	2,119,100	0.77
22	CHEONG XIN YIN	1,934,500	0.71
23	NG CHENG GUAN	1,604,100	0.59
24	YEAP KOK LEONG	1,400,000	0.51
25	APEX NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR SIOW YUEN CHEANG*	1,360,800	0.50
26	HEW YOON KIONG	1,286,900	0.47
27	KENANGA NOMINEES (TEMPATAN) SDN BHD *RAKUTEN TRADE SDN BHD FOR NORHASLINA BINTI MOHD HANAFI*	1,150,000	0.42
28	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR CHONG KO WEE*	1,131,300	0.41
29	KENANGA NOMINEES (TEMPATAN) SDN BHD *RAKUTEN TRADE SDN BHD FOR FAIZA BINTI MOHD GHAZALI*	1,121,800	0.41
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LOK WEI SEONG*	1,080,000	0.39

Substantial Shareholders' Shareholdings based on Register of Substantial Shareholders

No.	Name of Substantial Shareholders	No. of Shares beneficially held				
		Direct Interest	%	Indirect Interest	%	Note
1	Yeap Kong Chean	46,799,017	17.10	4,000,000	1.46	a
2	Yeap Kong Tai (Deceased)	39,466,664	14.42	-	-	
3	Dato' Woo Swee Lian	19,357,200	7.07	-	-	

Note:
(a) Deemed interested by virtue of his children's shareholdings in the Company pursuant to Section 59(11) of the Companies Act 2016 ("the Act")

As at 30 September 2026

Directors' Shareholdings based on Register of Directors' Shareholdings

		No. of Shares beneficially held				
No.	Name of Directors	Direct Interest	%	Indirect Interest	%	Note
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	Muhamed Ali Bin Hajah Mydin	-	-	-	-	
5	Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim	-	-	-	-	

Notes:
(a) Deemed interested by virtue of his children's shareholdings in the Company pursuant to Section 59 (11) of the Act
(b) Deemed interested by virtue of her spouse's and children's shareholdings pursuant to Section 59 (11) of the Act

Interests in the related corporations

By virtue of his interests 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 had any interest in shares in the related corporations.

PROXY FORM

CDS Account No.	
No. of Shares Held	

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

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/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Second (22nd) Annual General Meeting ("AGM") of the Company to be held at **The George, George Town Penang, Ka Satu Meeting Private Room, 138, Jalan Penang, 10100 George Town, Pulau Pinang** on **Thursday, 26 November 2026, 10:30 a.m.** or any adjournment thereof, and to vote as indicated below:

Ordinary Business		**Ordinary Resolution**	**For**	**Against**
1.	To re-elect Madam Tan Hoay Leng as Director of the Company.	1		
2.	To re-elect Encik Muhamed Ali Bin Hajah Mydin as Director of the Company.	2		
3.	To re-elect Dato' Seri (Dr.) Haji Abdul Rafique Bin Abdul Karim as Director of the Company.	3		
4.	To approve the payment of Directors' fees for the period commencing from 27 November 2026 until the next AGM of the Company.	4		
5.	To approve the payment of benefits to Directors for the period commencing from 27 November 2026 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 22nd AGM for the full purpose and intent of the Resolutions to be passed.

_____ Signed this _____ day of _____ , 2026.

Signature of Shareholder(s)/Common Seal

** Manner of execution:*
(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

1. *For the purpose of determining who shall be entitled to attend the 22nd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at **19 November 2026** (General Meeting Record of Depositors). Only a depositor whose name appears on this Record of Depositors shall be entitled to attend the 22nd AGM or appoint a proxy to attend, speak and vote on his/her/their behalf.*
2. *A member entitled to attend and vote at the 22nd 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.*
3. *A member of the Company who is entitled to attend and vote at the 22nd AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 22nd 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 Pulau Pinang, Malaysia, not less than forty-eight (48) hours before the time fixed for holding the 22nd 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. *A member is not precluded from attending the Meeting in person after lodging the instrument of proxy. If you have submitted your instrument appointing a proxy prior to the Meeting and subsequently wish to revoke your proxy appointment(s), you may deposit a written notice of termination of proxy authority at the registered office of the Company at No. 35, Scotland Road, 10450 Pulau Pinang, Malaysia, not less than forty-eight (48) hours before the time set for holding the 22nd AGM or any adjournments.*
9. *Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 22nd AGM will be put to vote by way of a poll.*
10. *Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.*
11. *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 22nd AGM of the Company and any adjournment thereof.

AFFIX
STAMP

To:

The Company Secretaries
Ygl Convergence Berhad
Registration No. 200401010510 (649013-W)
No. 35, Scotland Road
10450 Penang
Malaysia



www.yglworld.com

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

PENANG (HQ)
35, Scotland Road
10450 Penang, Malaysia
T: 604-229 0619

KUALA LUMPUR
Suite 9-10, Wisma UOA II Jalan Pinang,
50450 Kuala Lumpur, Malaysia
T: 603-2166 5928

HONG KONG
Rm 2205-6 22/F.
Lemmi Centre, 50 Hoi Yuen Road
Kwun Tong, Kowloon, Hong Kong
T: 852-2609 1338