COMPUGATES®

COMPUGATES HOLDINGS BERHAD
200401030779 (669287-H)

ANNUAL REPORT 2025

OUR VISION

Charting a course toward sustainable evolution

OUR MISSION

To strategically diversify in order to deliver sustainable value growth, and innovate to meet the changing needs of customers, consumers and society

COMPUGATES®

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Datuk Asmat Bin Kamaludin
Non-Independent Non-Executive Chairman

Mohamed Fauzi Bin Omar
Non-Independent Non-Executive Director

Goh Tai Wai
Non-Independent Non-Executive Director

See Thoo Chan
Executive Director

Low Geok Eng
Independent Non-Executive Director

Tan Siew Li
Independent Non-Executive Director

Audit Committee

Chairman
Low Geok Eng

Member
Tan Siew Li
Goh Tai Wai

Nomination Committee

Chairman
Tan Siew Li

Member
Low Geok Eng
Goh Tai Wai

Remuneration Committee

Chairman
Low Geok Eng

Member
Mohamed Fauzi Bin Omar
Tan Siew Li

Risk Management Committee

Chairman
Tan Siew Li

Member
Low Geok Eng
Goh Tai Wai

Company Secretaries

Jeremy Tai Yung Wei
(MAICSA 7065447)
(SSM PC No. 202308000580)

Thong Pui Yee
(MAICSA 7067416)
(SSM PC No. 202008000510)

Registered Office

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

Email : cosec@shareworks.com.my
Tel : 03-6201 1120
Fax : 03-6201 3121

Share Registrar

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

Email : is.enquiry@vistra.com
Tel : 03-2783 9299

Principal Bankers

Malayan Banking Berhad
Public Bank Berhad

Auditors

Grant Thornton Malaysia PLT
(201906003682 & LLP0022494-LCA)
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

Tel : 03-2692 4022
Fax : 03-2691 5229

Stock Exchange Listing

Main Market of the Bursa Malaysia Securities Berhad

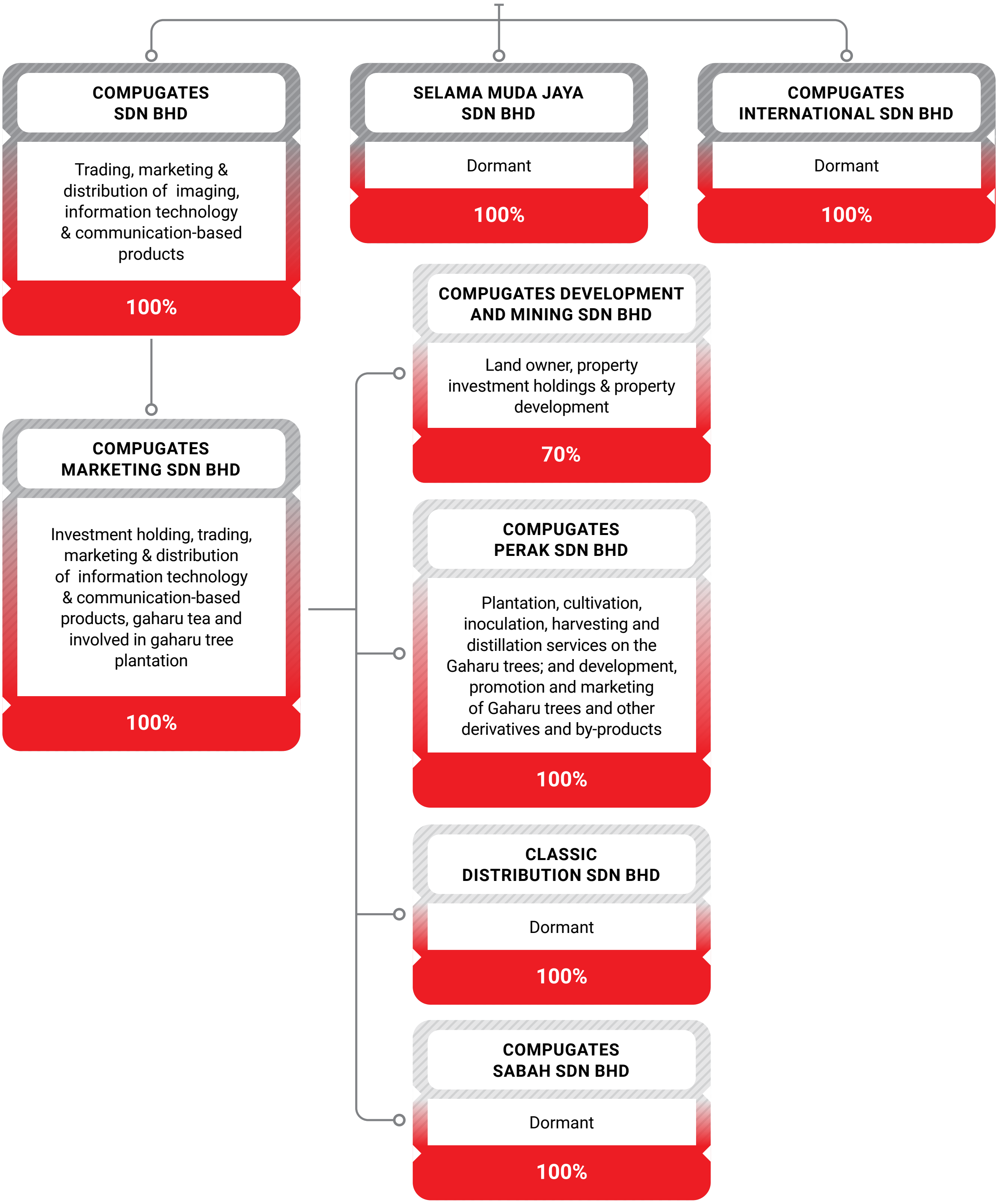
Stock Short Name : COMPUGT
Stock Code : 5037

GROUP CORPORATE STRUCTURE

COMPUGATES®

COMPUGATES HOLDINGS BERHAD

INVESTMENT HOLDING AND PROVISION OF MANAGEMENT SERVICES



DIRECTORS' PROFILE

TAN SRI DATUK ASMAT BIN KAMALUDIN

Non-Independent Non-Executive Chairman

Malaysian | 82 | Male

Tan Sri Datuk Asmat Bin Kamaludin was appointed an Independent Non-Executive Chairman to our Board on 8 November 2005. He was re-designated as Non-Independent Non-Executive Chairman on 1 April 2023.

Tan Sri Datuk Asmat holds a Bachelor of Arts Degree in Economics from the University of Malaya and a Diploma in European Economic Integration from the University of Amsterdam. He has vast experience acting in various capacities in public services sector. His last position being Secretary General of the Ministry of International Trade and Industry (MITI), a position he held from 1992 to 2001. He has served as Senior Economic Counselor for Malaysia in Brussels and has worked with several international bodies such as the Association of South East Asian Nations (ASEAN), World Trade Organisation (WTO) and Asia-Pacific Economic Cooperation (APEC), representing Malaysia in relevant negotiations and agreements.

Whilst in the service of the Malaysian government, Tan Sri Datuk Asmat was also actively involved in several national organisations such as Permodalan Nasional Berhad, Johor Corporation, Small and Medium Scale Industries Development Corporation (SMIDEC) and Malaysia External Trade Development Corporation (MATRADE). In 2008, Tan Sri Datuk Asmat was appointed by MITI to represent Malaysia as Governor on the Governing Board of the Economic Research Institute for Asean and East Asia, a position he held for 6 years. On 11 November 2014, Tan Sri Datuk Asmat was conferred the prestigious "Order of the Rising Sun, Gold and Silver Star" by the Government of Japan, in recognition of his contributions in the strengthening of economic relations and the promotion of mutual understanding between Japan and Malaysia.

Tan Sri Datuk Asmat holds the position of Chairman at Perusahaan Otomobil Kedua Sdn Bhd (PERODUA). He also serves as a Director at the JACTIM Foundation.

DIRECTORS' PROFILE (CONT'D)

MOHAMED FAUZI BIN OMAR

Non-Independent Non-Executive Director

Malaysian | 67 | Male

En. Mohamed Fauzi Bin Omar was appointed an Independent Non-Executive Director on 8 November 2005. He was re-designated as Non-Independent Non-Executive Director on 1 April 2023 and is a member of the Remuneration Committee of the Company.

He holds a Master of Business Administration from Northland Open University Canada and International Management Center of Buckingham from the United Kingdom ("UK"). He is also an Associate of the Chartered Institute of Marketing-UK and holds a Diploma in Science (Biology) with Education from Universiti Pertanian Malaysia.

Prior to joining Compugates, he held numerous senior management positions in the telecommunications industry, particularly the cellular mobile operations both locally and abroad. A co-founder of Celcom (Malaysia) Berhad, he served the company from 1988 to 1996 as the Chief Operating Officer of Celcom Technology Sdn Bhd (Celcom's Value added arm) cum Senior Vice President of Celcom, overseeing a number of new projects including the fixed network services. In 2000, he was engaged by Across Asia Multimedia (a company listed on The Stock Exchange of Hong Kong Limited) as the Director of Marketing & Customer Services as part of a team of Malaysians to establish Lippotel's Cellular service in Indonesia.

In 2002, he joined Time dotCom Berhad as a Director of its mobile operations, namely TimeCel. Upon the disposal of TimeCel, he was later made the Chief Operating Officer of Time dotCom Berhad and its subsidiary, namely Time dotNet Berhad where he served until 2005. With over twenty (20) years in the industry, he has vast experience particularly in the development and marketing of cellular, public switched telephone network, broadband, value-added, satellite, computer-telephony and internet related services.

Prior to joining the telecommunications industry, he started his career with British Petroleum (M) Sdn Bhd, where he served for almost five (5) years since 1983. Today he is actively involved in a number of business activities through his privately owned companies as well as in freelance business consultancy and training. MDEC, BioTech Corp., MardiTech, IRDA, UNIMAP, MTIB and TERAJU are some of the clients in the areas of consultancy and business coaching that he has worked on. He is also a member of the board of trustees of Yayasan Pak Rashid, University Putra Malaysia.

He does not hold any directorship in any other listed issuers.

DIRECTORS' PROFILE (CONT'D)

GOH TAI WAI

Non-Independent and Non-Executive Director

Malaysian | 53 | Male

Mr. Goh Tai Wai was appointed a Non-Independent Non-Executive Director on 8 November 2005. He was re-designated as Executive Director on 21 April 2006 and assumed his present position as a Non-Independent and Non-Executive Director on 18 August 2008. He is also a member of Audit Committee, Nomination Committee and Risk Management Committee of the Company.

He holds a Bachelor of Commerce in Accounting and Information Systems from Curtin University of Technology, Perth, Australia. He is a member of the Malaysian Institute of Accountants and a Fellow of CPA Australia as well as a Certified Financial Planner.

He has more than thirty-five (35) years experience ranging from general management, corporate advisory services and risk management to financial management and information technology.

He does not hold any directorship in any other public companies and listed issuers.

SEE THOO CHAN

Executive Director

Malaysian | 64 | Female

Mdm. See Thoo Chan was appointed as a Non-Independent Non-Executive Director of the Company on 21 March 2007. Subsequently, she was re-designated as an Executive Director on 3 January 2014.

She obtained her Higher School Certificate in 1980. She is a successful businesswoman having numerous years of experience in trading of telecommunication products.

Additionally, Mdm. See Thoo Chan serves as a director of Southall Sdn Bhd and Beausoft Sdn Bhd, both primarily engaged in trading cellular phones and accessories, mobile phone prepaid cards, telecommunication products, and skin care products.

Mdm. See Thoo Chan does not hold any directorship in other listed issuers.

DIRECTORS' PROFILE (CONT'D)

LOW GEOK ENG

Independent Non-Executive Director

Malaysian | 71 | Female

Mdm. Low Geok Eng was appointed an Independent Non-Executive Director of the Company on 1 April 2023. She is also the Chairman of Audit Committee and Remuneration Committee and member of Nomination Committee and Risk Management Committee of the Company.

She completed her Secretarial Course in Stamford College, Petaling Jaya. She started her career in 1976, in the advertising industry in Malaysia as the PA to the Managing Director to one of the largest National Agency in the country. She resigned in 1984, to be a full-time housewife.

In 1996, she decided to be active again in the vibrant advertising and communication industry by forming a National Advertising Agency, fully Accredited Service, was a member of the 4As Malaysia (Association of Accredited Advertising Agents Malaysia) as Executive Director holding 50% equity.

In 2011, she decided to retire from the advertising industry by voluntarily closing down the company.

She does not hold any directorship in other listed issuers.

TAN SIEW LI

Independent Non-Executive Director

Malaysian | 56 | Female

Mdm. Tan Siew Li assumed the role of Independent Non-Executive Director at the Company on April 1, 2023. In addition to her directorial position, she serves as the Chairperson for both the Nomination Committee and Risk Management Committee, while also holding membership in the Audit Committee and Remuneration Committee.

Mdm. Tan is a qualified pharmacist, having earned her Bachelor of Science in Pharmacy from The University of Kansas, Kansas, United States of America. She is a registered pharmacist with the Malaysia Board of Pharmacy.

Furthermore, she plays a pivotal role as the local partner and director at Alpro Alliance (Sabah) Sdn Bhd, where she oversees the comprehensive business operations of the outlets within the Sabah region.

Mdm. Tan does not currently hold any directorship positions in other listed issuers.

DIRECTORS' PROFILE (CONT'D)

Notes:

Family Relationship with any Director and/or Major Shareholder

Mdm. See Thoo Chan is the spouse of Mr. Goh Kheng Peow, who is the Chief Executive Officer and major shareholder of the Company.

Save as disclosed herein, none of the Directors has any family relationship with any Director and/or major shareholder of the Company.

Conflict of Interest

None of the Directors has any conflict of interest with the Company.

Conviction for Offences

Other than traffic offences, if any, the Directors have not been convicted of any offences within the past five (5) years and have not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.

Attendance of Board Meetings

Details of the Directors' attendance at Board meetings are set out in the Corporate Governance Overview Statement on page 70 of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

GOH KHENG PEOW
Chief Executive Officer

Malaysian | 66 | Male

Date of appointment to present position

16 June 2017

Working experience

Mr. Goh Kheng Peow ("**Mr. Goh**") has over forty-three (43) years of experience in sales and marketing specialising in fast moving consumer products, office equipment, consumer electronics, medical equipment and telecommunication products.

Since 1999, he decided to venture into the field of entrepreneurship and established Compugates Group. He is responsible for the strategic planning aspects of the Compugates Group. He also sits on the boards of several private limited companies.

Qualification

Bachelor's Degree with Honours in Economics (Business Administration) from University of Malaya.

Details of interest in the securities of the Company based on the Record of Depositors dated 27 March 2026

Direct interest: 379,289,013 Ordinary Shares

Indirect interest: 743,696,240 Ordinary Shares

Any directorship in public companies and listed issuers

Mr. Goh does not hold directorship in any other public companies and listed issuers.

Any family relationship with any director and/or major shareholder of the Company

Mr. Goh is the spouse of Mdm. See Thoo Chan, who is the Executive Director and a major shareholder of the Company.

Any conflict of interest with the Company

Mr. Goh does not have any conflict of interest with the Company.

Conviction for Offences

Other than traffic offences, if any, Mr. Goh has not been convicted of any offences within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

SEE THOO CHAN
Executive Director

Malaysian | 64 | Female

The details of **Mdm. See Thoo Chan** are disclosed in the Directors' Profile of this Annual Report.

KEANE GOH YAN HAN
Group General Manager – Compugates Group of Companies

Malaysian | 38 | Male

Date of appointment to present position

1 December 2017

Working experience

Mr. Keane Goh Yan Han ("**Mr. Keane Goh**") joined Compugates Marketing Sdn Bhd as a Consultant in 2012 and oversees the plantation and land development projects. Prior to that, he was attached to Southall Sdn Bhd, a company dealing in information technology and consumer technology products as a Sales Manager.

Qualification

Bachelor's Degree in Commerce with Double Majors in Marketing and Finance from Curtin University of Technology.

Any directorship in public companies and listed issuers

Mr. Keane Goh does not hold directorship in any other public companies and listed issuers.

Any family relationship with any director and/or major shareholder of the Company

Mr. Keane Goh is the son of Mdm. See Thoo Chan and Mr. Goh Kheng Peow, the Executive Director and Chief Executive Officer respectively and major shareholders of the Company.

Any conflict of interest with the Company

Mr. Keane Goh does not have any conflict of interest with the Company.

Conviction for Offences

Other than traffic offences, if any, Mr. Keane Goh has not been convicted of any offences within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

YAU POW JACK
Head of Finance

Malaysian | 37 | Male

Date of appointment to present position

1 June 2016

Working experience

Prior to joining Compugates, **Mr. Yau Pow Jack** ("**Mr. Yau**") was a finance analyst for one of the world's largest pharmaceutical firms and subsequently moved on to work for Deloitte Malaysia for several years gaining experience in audit and transaction advisory services.

Qualification

Certified Public Accountant (Australia), Malaysia Institute of Accountants (MIA), Master's Degree in Accounting & Finance (Help University) and Bachelor's Degree (Hons) in Accounting & Finance (University of East London).

Any directorship in public companies and listed issuers

Mr. Yau does not hold directorship in any other public companies and listed issuers.

Any family relationship with any director and/or major shareholder of the Company

Mr. Yau does not have any family relationship with any directors and/or major shareholders of the Company.

Any conflict of interest with the Company

Mr. Yau does not have any conflict of interest with the Company.

Conviction for Offences

Other than traffic offences, if any, Mr. Yau has not been convicted of any offences within the past five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors of Compugates Holdings Berhad ("**Compugates**" or the "**Company**"), I am pleased to present to you the Annual Report and Audited Financial Statements of the Group for the financial year ended 31 December 2025 ("**FYE 2025**").

ECONOMIC REVIEW

For the full year of 2025 Malaysian economy grew by approximately 5.1%, compared to approximately 3.7% in 2024. The expansion was mainly driven by continued growth in domestic demand as well as a rebound in exports. From the domestic front, growth was supported by positive labour market conditions, with the unemployment rate remaining low at 3.0% in 2025, alongside income-related policy measures and cash assistance programmes. Furthermore, continued capital expansion by both the public and private sectors, namely the New Industrial Master Plan, National Energy Transition Roadmap, and National Semiconductor Strategy, provided strong momentum for investment growth.

On the external front, the continued tech upcycle, as well as higher tourist arrivals and spending, resulted in a sustained surplus of 1.7% of GDP ("**Gross Domestic Product**").

As on the supply side, growth in 2025 was underpinned by the upcycle in a services and manufacturing sectors supported by broad-based consumption improvements in electrical and electronics, as well as the ICT ("**Information and Communication Technologies**") and E&E ("**Electrical and Electronics**") clusters.

A bright spot in 2025 was the Ringgit, which recorded an overall appreciation of 2.7% against the US dollar, while other regional currencies experienced depreciation. In addition, the Ringgit also appreciated against several major currencies such as the Japanese Yen, Singapore Dollar and Korean Won.

Looking ahead to 2026, despite persistent global geopolitical tensions and ongoing volatility in the Middle East, the Malaysian Economy is expected to remain resilient, with a forecasted growth rate of 4.0% to 4.5%. This outlook is supported by strong domestic consumption, continued investment in infrastructure and industrial projects, expansion of the digital economy, and recovery in tourism in conjunction with Visit Malaysia 2026.

PERFORMANCE REVIEW

For FYE 2025, the Group registered a revenue of approximately RM38.9 million, representing an increase of RM17.0 million or 77.6% compared to the preceding financial year ended 31 December 2024 ("**FYE 2024**"), which recorded approximately RM21.9 million. This increase was mainly attributable to a new revenue stream from the property investment segment amounting to approximately RM16.8 million.

The Group recorded a higher loss after taxation of approximately RM23.3 million, which was RM12.8 million higher compared to FYE 2024 (approximately RM10.5 million). This was primarily due to a loss arising from valuation assumption adjustments in relation to the Employee Share Option Scheme ("**ESOS**"), amounting to approximately RM9.1 million.

CORPORATE DEVELOPMENT

On 31 January 2025, the Board of Directors of Compugates announced that Compugates Development and Mining Sdn Bhd ("**CDMSB**"), a 70%-owned subsidiary of Compugates Holdings Berhad ("**CHB**"), had entered into another joint venture with developer CPG Puncak Sdn Bhd to develop a RM 1.36 billion mixed-use development on the Group's 35 acres of land within Cybersouth. Through this joint venture, the Group will be entitled to a minimum landowner's entitlement of RM 234 million, representing a 73.85% premium over the market value of the land. The Development will be undertaken over 8-9 phases and is expected to be completed in 13 years, with an extension period of 3 years as provided under the Joint Venture Agreement ("**JVA**").

On 3 June 2025, the Board of Directors of Compugates announced that the Company had offered a total of 907,561,162 share options at an option price of RM0.0135 to eligible directors and employees of CHB in accordance with the by-Laws of the ESOS.

OUTLOOK AND PROSPECTS

The Board is of the view that the trading and distribution business will remain challenging due to a competitive market environment, coupled with geopolitical tensions, and the United States–China trade war, and Global Traffic Battle.

To reduce reliance on it's trading and services segment, the Company obtained shareholders' approval in 2023 to diversify the Group's existing business into property development. The diversification was undertaken pursuant to the JVA signed between CDMSB, a 70%-owned subsidiary of CHB, and Jade Classic Sdn Bhd ("**JCSB**").

The joint venture development with JCSB commenced Phase 1 sales of Daun Villa in stages via a soft launch. Stage 1 comprised 130 townhouse units and 33 double-storey units, Stage 2 comprised 66 townhouse units and 21 double-storey units; and Stage 3 comprised 142 townhouse units and 26 double-storey units. To date, the entire Phase 1 has been fully launched, and all units have been opened for sale due to positive market response. Approximately 90% of the units under Phase 1 have been booked. Of the 418 units, over 75% have signed the Sale and Purchase Agreements, while the remaining booked units are pending loan approvals or signing.

As at the reporting date, the Group has collected approximately RM 17.96 million from JCSB as sales proceeds for Phase 1 and anticipates receiving further progressive payments in line with construction progress towards vacant possession delivery. Sales for Phase 2 of the JCSB joint venture development are expected to commence before the second half of 2026.

Additionally, in view of the positive property market outlook in Malaysia, where the real estate and construction sectors recorded a 4.1% year-on-year growth with transaction values reaching a historical high of more than RM242 million, the Board believes that the JVA with CPG Puncak Sdn Bhd presents another opportunity for the Group to further strengthen its property development revenue stream. The Board is optimistic that the success of both development projects will contribute positively to the Group's future earnings and improve its financial performance and position.

APPRECIATION

On behalf of the Board of Directors, I would like to extend my sincere thanks to our valued customers, business associates, and suppliers for their continuous support, trust and understanding.

I would also like to take this opportunity to extend my gratitude and appreciation to our fellow Board members, management and staff for their hard work, dedication and commitment to the Group.

Last but not least, to our shareholders, I wish to express my heartfelt appreciation for your confidence in Compugates.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

The Management of Compugates Holdings Berhad ("**Compugates**" or "**the Company**") is pleased to present the management discussion and analysis of the business, operations and performance of the Company and its subsidiaries (collectively referred to as "**Group**") during the financial year ended 31 December 2025 ("**FYE 2025**").

FINANCIAL RESULTS AND PERFORMANCE STATEMENT

The Malaysian Economy for the year 2025 was a journey with both progress and challenges, which demonstrated acceleration throughout the year, recording a notable 6.3% growth in the fourth quarter, the fastest pace in three consecutive years, coupled with challenges such as global trade volatility, US trade tariffs, and inflationary pressures.

For the FYE 2025, the Group recorded a revenue of RM38.9 million, which was approximately RM17.0 million higher compared to the financial year ended 31 December 2024 ("**FYE 2024**") of approximately RM21.9 million. The increase in revenue was mainly contributed by a new revenue stream from the property investment segment amounting to approximately RM 16.8 million.

However as a result of the valuation assumption loss adjustment in relation to Employee Share Option Scheme ("**ESOS**") amounting to approximately RM9.1 million and RM8.9 million higher of administrative expenses, the Group recorded a loss before taxation of RM22.7 million during FYE 2025, which was approximately RM12.2 million higher compared to the loss before taxation of RM10.5 million in the preceding FYE 2024.

FINANCIAL AND OPERATING RISKS

In the current challenging operating environment, financial risk remains the major potential risk encountered by the Group. One of the major contributing factors to such risk is the concentration of the trading and service business (IT distribution), which is subject to cyclical demand and competitive intensity from digital platform players such as Lazada and Shopee. Thus, The Group recorded an accumulated loss of approximately RM42.7 million in the FYE 2025. As such, the Group commenced fundraising exercises such as a private placement to revamp its business model to bridge the gap between current assets and current liabilities. Additionally, the Group has diversified into other businesses such as joint development of land, gaharu plantation, as well as other online businesses to mitigate the reliance on IT distribution.

Next in view of the diversification into joint development of land, the Group's performance is indirectly exposed to the property industry risks as the Group's performance would be materially affected by the performance and undiversified business risk associated with the property development industry, such as regulatory risk, shortages of building materials, increases in labour costs due to revisions of minimum wages, shortages of foreign labour, defaults by purchasers, and increases in the cost of financing for property acquisition. Nonetheless, the Group seeks to mitigate these risks by, inter-alia, prudent financial policies, continuous review of operations, effective resource management and cost-control policies, and monitoring price trends of building materials.

Additionally, the joint development of land is also exposed to project risks which may lead to delays in the commencement and completion of property development projects. Such risks include, but are not limited to, natural disasters, adverse weather conditions, delays in obtaining approvals / permits necessary for property development projects, shortage or unavailability of building materials and/ or labour, outbreaks of diseases or pandemics, as well as other unforeseen circumstances which may cause a material adverse impact on the Group's performance. As such, the Group will impose close monitoring and /or supervision of progress, as well as project milestones and deadlines during the land transfer process and upon commencement of property development projects to minimize project risk exposure.

Last but not least, with the diversification into joint property development and gaharu plantation, the Group is subject to risks inherent in the property development and gaharu plantation industries. These include, but are not limited to, adverse changes in supply and demand conditions, downturns in the global, regional and/ or national economies, cost of equipment, availability of technical expertise, availability of financing, emerging and future technological changes, and the existence of alternatives in the property development or gaharu plantation industries. Nonetheless, the Board and management will adopt prudent financial management and efficient operating procedures to limit the potential adverse financials impact.

FUTURE PROSPECTS

In the past financial years, the Group's trading and service business (IT distribution) has been its major and sole revenue contributor. Notwithstanding the approximately RM16.8 million revenue generated from the property development segment in FYE 2025, the property development segment has contributed more than 40% of the Group's revenue in FYE 2025.

The joint venture development with Jade Classic Sdn Bhd ("JCSB") commenced Phase 1 sales of Daun Villa in stages via a soft launch. Stage 1 comprised 130 townhouse units and 33 double-storey units, Stage 2 comprised 66 townhouse units and 21 double-storey units; and Stage 3 comprised 142 townhouse units and 26 double-storey units. To date, the entire Phase 1 has been fully launched, and all units have been opened for sale due to positive market response. Approximately 90% of the units under Phase 1 have been booked. Of the 418 units, over 75% have signed the Sale and Purchase Agreements, while the remaining booked units are pending loan approvals or signing.

As at the reporting date, the Group has collected approximately RM 17.96 million from JCSB as sales proceeds for Phase 1 and anticipates receiving further progressive payments in line with construction progress towards vacant possession delivery. Sales for Phase 2 of the JCSB joint venture development are expected to commence before the second half of 2026.

Additionally, in late January 2025, the Group entered into another joint venture with CPG Puncak Sdn Bhd to develop a RM 1.36 billion mixed-use development on the Group's 35 acres of land within Cybersouth. Through this joint venture, the Group will be entitled to a minimum landowner's entitlement of RM 234 million, representing a 73.85% premium over the market value of the land. The development will be undertaken over 8-9 phases and is expected to be completed in 13 years, with an extension period of 3 years as provided under the Joint Venture Agreement ("JVA") . As and when construction for the respective phases is completed, the Group shall be entitled to receive its landowner's entitlement for each phase. The landowner's entitlement from the joint venture development therefore provides the Group with a form of continuous revenue to be recognised in the long term.

Apart from joint development projects, with support from the Joint Gaharu Business Collaboration Agreement, in the near future the Group shall expand its gaharu plantation segment through the provision of inoculation, harvesting and distillation services for its gaharu trees, the sale of gaharu trees to third-party owners, and the sale of harvested resin to gaharu end product sellers.

With the materialisation of the joint venture development projects and expansion of the gaharu plantation segment, the Group will be able to enlarge its income flow, while mitigating the reliance on the IT distribution business, which is expected to contribute positively to the Group's earnings.

Lastly, the Group has yet to establish any dividend policy as it continues to pursue growth strategies. Having considered the Group's performances as well as the Group's needs for future growth, the Board is not recommending any dividend for FYE 2025. However, the Group is committed to ensure shareholders receive a fair and equitable return on investment in the future.

SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

The Board of Directors ("Board") of Compugates Holdings Berhad ("Compugates" or "the Company") is pleased to present the Sustainability Statement ("the Statement") for the financial year ended 31 December 2025 ("FYE 2025"). This Statement provides a comprehensive overview of the Group's approach to sustainability development. Despite a challenging environment, the Group remains resilient and committed to integrating sustainability into its business operations.

The Company and its subsidiaries (collectively referred to as "the Group") are involved in the distribution of digital cameras, telecommunication-based and information technology-related products, the plantation and marketing of gaharu (agarwood) trees, as well as property investment and development.

Our key business operations are geographically located in Peninsular Malaysia, as illustrated below:

This Statement covers three key subsidiaries within the Group: Compugates Sdn Bhd ("CSB"), Compugates Marketing Sdn Bhd ("CMSB") and Compugates Development and Mining Sdn Bhd ("CDMSB"). These companies are engaged in the distribution of digital cameras, telecommunication-based and information technology-related products, agriculture, and property investment and development. The scope includes headquarters operations in Selangor, distribution activities in Pulau Pinang, and plantation operations in Perak[1], all of which contribute significantly to the Group's economic, environmental and societal ("EES") impact.

Compugates acknowledges its responsibility to its stakeholders and remains dedicated to delivering sustainable financial results while upholding the highest standards of corporate governance.

OUR VISION

- Charting a course toward sustainable growth and evolution

OUR MISSION

- To strategically diversify in order to deliver sustainable value growth and to innovate in response to the evolving needs of customers, consumers, and society.

[1] Headquarter storage space: 1969 sq. ft; Penang storage space: 625 sq. ft; Kuala Kangsar Gaharu Plantation land area: 54 acres

The disclosures in this Statement have been prepared in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), with reference to Bursa Securities' Sustainability Reporting Guide (3rd Edition) ("SRG"), Global Reporting Initiative Standards, and the United Nations Sustainable Development Goals ("UNSDG").

SUSTAINABILITY GOVERNANCE STRUCTURE

Sustainability requires a top-down approach, with the Board playing a pivotal role in leading the Group towards achieving its goals and targets. We have established a governance structure for effective oversight and implementation of sustainability initiatives.

The Board has oversight of conservation and biodiversity, human rights, supply chain amongst other sustainability-related matters of the Group through quarterly Board meetings.

SUSTAINABILITY GOVERNANCE STRUCTURE (CONT'D)

Strategic Oversight Risk Governance Accountability and Transparency Stakeholder Engagement Executive Compensation	**Board**	Long-Term Value Creation Policy Development Implementation Oversight Sustainable Business Growth Compliance and Reporting
Setting the Sustainability Agenda Integration into Business Strategy Leading by Example Resource Allocation Performance Monitoring	**Group CEO**	Stakeholder Engagement Risk Management Innovation and Collaboration Advocacy and Thought Leadership
Strategy Execution and Development Resource Allocation and Operational Efficiency Performance Monitoring and Reporting Cross-Functional Collaboration Risk Management	**GGM and KSM**	Policy Implementation and Compliance Innovation and Continuous Improvement Capacity Building External Engagement

STAKEHOLDERS ENGAGEMENT

The table below shows the types of engagement for each stakeholder and their frequency.

Stakeholders	Frequency	Types of Engagement	Focus / Area of Interest
Customers/ Consumers	Ongoing	• Company's website • Surveys • Product campaigns • Social media *(Shopee/Lazada/TikTok)*	• Customer satisfaction • Quality of products • Ethical supply chain and fair trade
Suppliers	Ongoing	• Supplier competitive price review • Meetings and discussions	• Transparent purchasing • Long-term collaborations • On-time and high-quality service
Employees	Annually	• Performance appraisal • Meetings • Training and development	• Professional growth and development • Remuneration, welfare, and benefits • Knowledge improvement and career training • Health and safety • Work-life balance
Shareholders	Ongoing Quarterly or as needed Annually or as needed	• Company's website • Company's announcements • Annual reports • General meetings	• Return on investment • Financial performance • Corporate governance • Risk management
Regulators	Ongoing	• Compliance with "MyOrganic"	• Regulatory compliance and certification standards
Government	Annually	• Adherence to government environmental policies • Regulatory filings	• Compliance with laws and regulations • Meeting disclosure requirements • Timely and accurate regulatory filings

MATERIALITY ASSESSMENT

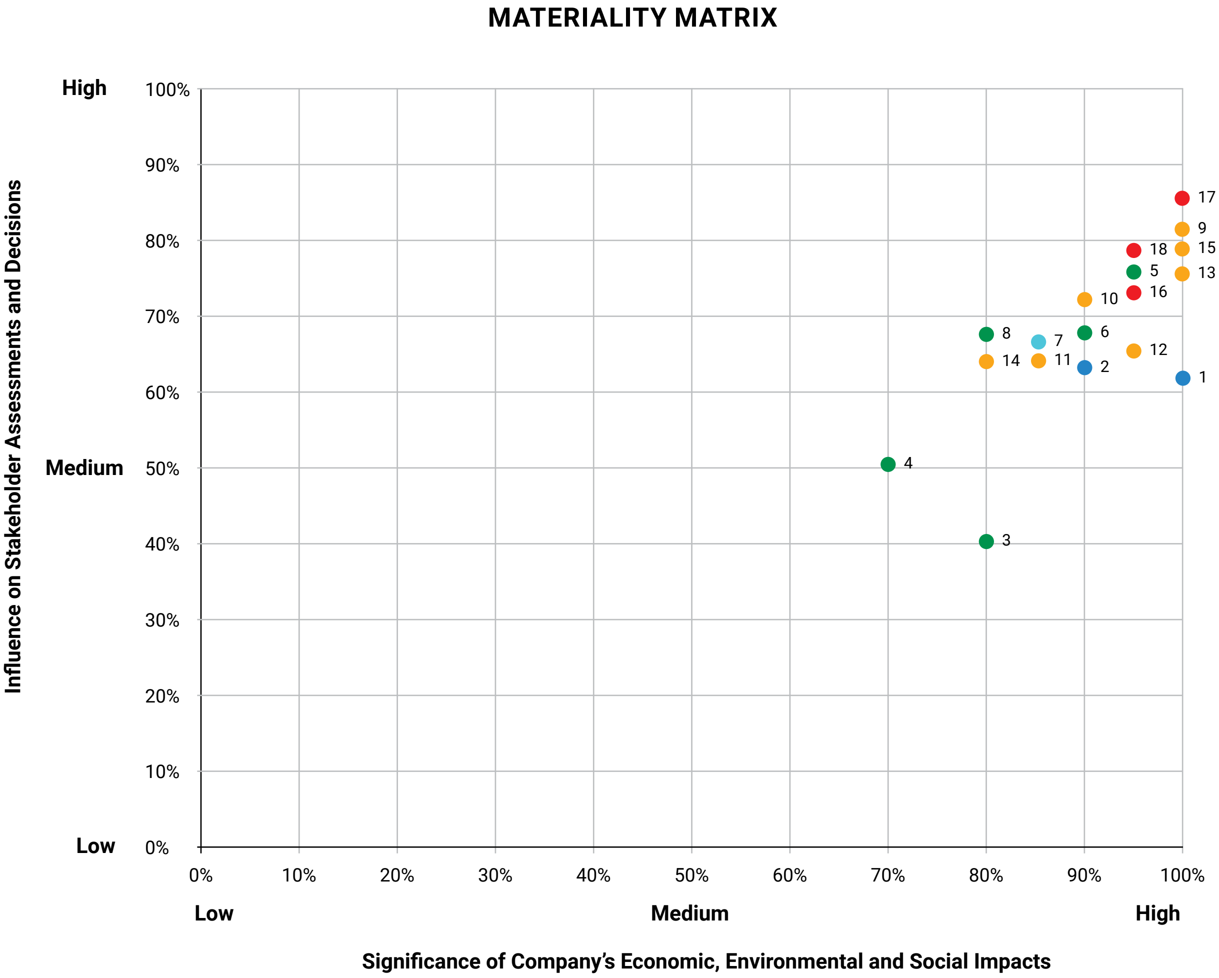
In line with Bursa Securities' SRG, we established a materiality assessment through data analysis and stakeholder engagement to gather valuable insights on how sustainability matters are managed and addressed.

The materiality assessment serves as a key component in enhancing sustainability within the Group. We consider material topics as EES risks and opportunities that impact our ability to create long-term value.

Based on the ranking of material matters, we have derived a materiality matrix, as shown below. This matrix is the result of a structured process involving the identification, ranking, and verification of material issues. The process determines the level of importance these sustainability matters hold for both our business operations and stakeholders.

SUSTAINABILITY STATEMENT
(CONT'D)

COMPUGATES'S MATERIALITY ASSESSMENT



Legends:

1. Economic Performance	2. Supply Chain Management	3. Recycled Materials	4. Paperless Invoicing
5. CO2 Emission	6. Energy Management	7. Water Management	8. "MYOrganic" Certification
9. Human & Workers' Rights Protections	10. Equality & Diversity	11. Employee Training & Development	12. Employee Welfare
13. Health & Safety	14. Community Engagement	15. Corporate Governance & Risk Management	16. Personal Data Protection Act
17. Anti-Bribery and Anti-Corruption	18. Whistleblowing Policy		

SUSTAINABILITY FRAMEWORK

ECONOMIC

Drive sustainable growth by optimising financial performance, creating value for stakeholders, and contributing to the economy through responsible operations.

a. Economic Performance
b. Supply Chain Management

ENVIRONMENTAL

Commit to environmental conservation by utilizing resources wisely and maintaining ecological balance.

a. Recycled Materials
b. Paperless Invoicing
c. CO2 Emission
d. Energy Management
e. Water Management
f. "MYOrganic" Certification

GOVERNANCE

Ensure fairness, transparency and accountability are upheld in daily business conduct.

a. Corporate Governance & Risk Management
b. Personal Data Protection Act
c. Anti-Bribery & Anti-Corruption Policy
d. Whistleblowing Policy

SOCIAL

Conduct business with ethics and concern for social responsibility while participating in enhancing society's quality of life.

a. Human & Workers' Rights Protections
b. Equality & Diversity
c. Employee Training & Development
d. Employee Welfare
e. Health & Safety
f. Community Engagement

In line with Bursa Securities' Listing Requirements, the Group continues to incorporate the 'Economic' pillar within its sustainability framework to highlight the financial and economic aspects of its operations, including economic performance, business resilience, and long-term value creation for stakeholders.

In the following section, we have summarised key points related to risks, opportunities, and the identification and management of sustainability issues for your ease of reference. This includes our management approach, policies, measures taken, as well as relevant indicators and performance outcomes.

SUSTAINABILITY STATEMENT
(CONT'D)

MANAGING SUSTAINABILITY

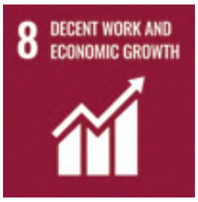
1. ECONOMIC

At Compugates, financial sustainability serves as the backbone of our operations, enabling both business resilience and long-term value creation. Beyond supporting daily functions, it allows us to pursue sustainable growth while considering EES factors. By integrating these principles, we aim to strengthen our financial position while making a positive impact on society and the environment.

Our approach to sustaining strong economic performance is rooted in a dynamic business strategy. This includes staying ahead of market trends, maintaining financial stability through prudent cash flow management, embracing technological advancements, mitigating business risks, and expanding into new market opportunities.

a. Financial Performance

Related UNSDG:



(i) **Risks**: Market volatility, economic downturns, rising operational costs, and competition from digital marketplace platforms affecting the Group's trading and distribution business.

(ii) **Opportunities**: Revenue growth through business diversification into property investment and development, and gaharu plantation activities, reducing reliance on the trading and services segment.

(iii) **Performance Target**: While no specific numerical targets are set, the Group is committed to continuous financial improvement through prudent financial management and sustainable business strategies.

(iv) **Identification**: Financial results are identified as a key sustainability matter through internal financial assessments, stakeholder expectations, and Bursa Malaysia's requirements. Maintaining financial stability and growth is essential for long-term business sustainability.

(v) **Importance**: Strong financial performance enables the Group to sustain operations, invest in growth opportunities, and fulfill commitments to stakeholders, including employees, shareholders, and business partners. It also supports the Group's ability to implement sustainability initiatives.

(vi) **Management Approach:**

➢ Policies: The Group adhered to sound financial management practices, ensuring compliance with regulatory standards and industry best practices. Regular financial reporting and governance oversight ensure transparency and accountability.

➢ Measures/Actions Taken: During FYE 2025, the Group continued to implement strategic initiatives aimed at strengthening its financial performance and diversifying its revenue streams. The Group expanded its business activities, particularly within the property investment and development segment, which contributed positively to overall revenue growth.

Despite the higher revenue achieved during FYE 2025, the Group recorded a loss after taxation mainly due to valuation assumption adjustment relating to the Employee Share Option Scheme ("ESOS") amounting to approximately RM9.1 million, which represents a non-cash accounting expense. In addition, the Group incurred higher administrative expenses during the financial year, partly attributable to corporate exercises and the expansion of business activities.

MANAGING SUSTAINABILITY (CONT'D)

1. ECONOMIC (CONT'D)

a. Financial Performance (Cont'd)

(vi) **Management Approach (Cont'd):**

The Group continues to implement strategic business plans aimed at improving financial performance by monitoring revenue, expenses and cash flow while optimising operational efficiency.

➢ Sustainability Performance: The Group recorded revenue of approximately RM38.9 million for FYE 2025, representing an increase of approximately RM17.0 million or 77.6% compared to RM21.9 million recorded in the financial year ended 31 December 2024 ("FYE 2024"), and a significant increase from RM15.4 million recorded in the financial year ended 31 December 2023 ("FYE 2023"). The increase was mainly driven by the introduction of a new revenue stream from the property investment and development segment, which contributed approximately RM16.8 million during FYE 2025.

Notwithstanding the higher revenue achieved, the Group recorded a loss after taxation of approximately RM23.3 million for FYE 2025, compared to RM10.5 million in FYE 2024 and RM8.0 million in FYE 2023. The higher loss was primarily attributable to the recognition of share-based payment expenses in relation to the ESOS amounting to approximately RM9.1 million, which is a non-cash accounting expense, as well as higher administrative expenses incurred to support the Group's business expansion initiatives.

In addition, the Group continued to incur operational costs associated with its agriculture segment, particularly the gaharu plantation activities, which are currently in the development and maintenance stage and have yet to generate revenue. These costs include plantation upkeep, cultivation activities and site management expenses.

Excluding the non-cash ESOS expense, the Group's underlying operational performance would have been significantly stronger. Moving forward, the Group remains focused on improving operational efficiency, strengthening its trading and services segment, increasing revenue contributions from its property investment and development activities, while the plantation segment continues to be developed for future commercialisation once cultivation and harvesting activities commence.

b. Supply Chain Management

Related UNSDGs:

(i) **Risks**: Supply chain disruptions, changing consumer preferences, and fluctuating information technology products and raw material costs.

(ii) **Opportunities**: Cost savings through strategic sourcing, strengthening relationships with sustainable and certified suppliers, and logistics optimisation for cost savings.

(iii) **Performance Target**: The Group has set a target to allocate at least 90% of procurement spending to local suppliers to support the local economy and ensure supply chain resilience for the financial year ending 31 December 2026 ("FYE 2026").

MANAGING SUSTAINABILITY (CONT'D)

1. ECONOMIC (CONT'D)

b. Supply Chain Management (Cont'd)

(iv) **Identification**: Supply Chain Management is identified as a key sustainability matter through evaluating the importance of sustainable sourcing and supplier relationships in maintaining operational efficiency and product quality. We emphasise selecting suppliers with responsible supply chain practices.

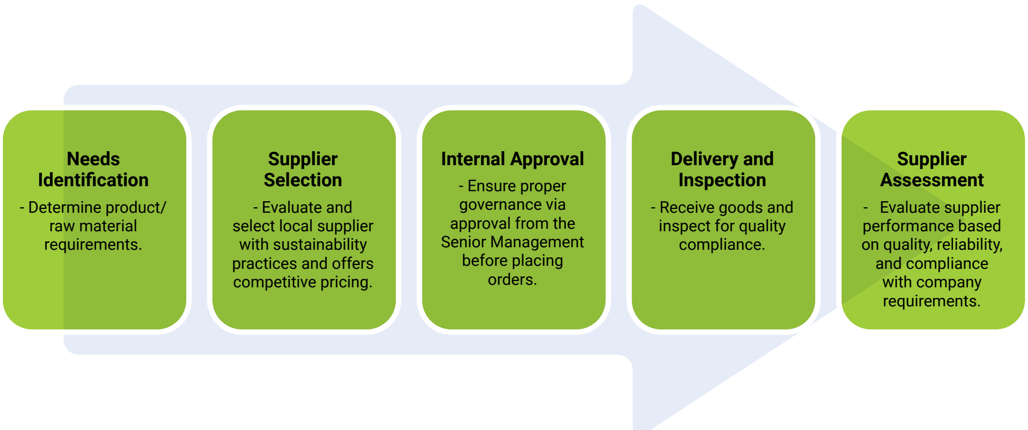
(v) **Importance**: Effective supply chain management is crucial because it ensures business continuity by mitigating risks related to supply shortages and disruptions, enhances cost efficiency by optimising procurement and logistics processes, and supports long-term profitability through responsible supplier partnerships and efficient resource management.

(vi) **Management Approach**:

➢ Policies: The Group enforced responsible business practices and prioritises environmentally friendly and ethical sourcing through supplier that practiced sustainability efforts.

➢ Measures/Actions Taken: To strengthen supply chain sustainability, the Group conducted supplier due diligence and implements sustainable procurement strategies by prioritising local, eco-friendly, and ethical suppliers.

The Group's procurement process is designed to ensure efficient, transparent, and sustainable sourcing while prioritising local suppliers. The following diagram outlines the key steps in our procurement workflow, from identifying needs to supplier performance review:



➢ Key Sustainability Indicators: The Group successfully achieved its procurement target for FYE 2025 by maintaining 100% spending on local suppliers. This exceeded the Group's target of allocating at least 90% of procurement spending to local suppliers. The Group demonstrated its commitment to supporting the local economy by engaging 100% local suppliers in its procurement activities over the past three financial years, ensuring that its operations contributed directly to local businesses while strengthening supply chain resilience. The following table presents the proportion of spending on local suppliers for the past three financial years:

Indicator	FYE 2023	FYE 2024	FYE 2025
Proportion of spending on local suppliers	100%	100%	100%

MANAGING SUSTAINABILITY (CONT'D)

2. ENVIRONMENTAL

At Compugates, we recognise our responsibility to minimise environmental impact while ensuring sustainable business operations. Our commitment to environmental sustainability is reflected in efforts to reduce resource consumption, enhance energy efficiency, and adopt eco-friendly practices across our value chain. By integrating environmental considerations into our operations, we strive to balance business growth with ecological preservation.

a. Recycled Materials

Related UNSDG:

(i) **Risks**: Employee resistance to digital transition, and low participation in recycling programs.

(ii) **Opportunities**: Reduce operational costs and improve efficiency.

(iii) **Performance Target**: Reduce A4 paper usage by 10% by FYE 2026. While there is no specific target set for e-waste reduction, the Group planned to implement it via recycling and responsible disposal initiatives for electronic devices.

(iv) **Identification**: The use of A4 paper and office materials was identified as a sustainability concern through internal resource consumption assessment. E-waste reduction was identified through lifecycle assessments of electronic products used by employees, customers, and dealers.

(v) **Importance**: Reducing reliance on paper usage aligns with cost-saving measures and environmental conservation efforts while enhancing the company's reputation for sustainability. Proper e-waste disposal reduces environmental pollution.

(vi) **Management Approach**:

➢ Policies: The Group encouraged use of recycled paper and digital alternatives while promoting responsible disposal of electronics. The Management promoted efficient use of office materials and proper handling of obsolete electronic devices.

➢ Measures/Actions Taken: The Group implemented paper reduction measures by promoting digital documentation, encouraging double-sided printing, and reusing paper where possible. Additionally, the Group encouraged the recycling of used electronic devices by engaging with recycling companies for trade-in, recycling, or proper disposal, where applicable.

➢ Sustainability Performance: The usage of A4 paper is summarised below:

Metrics	FYE 2023	FYE 2024	FYE 2025	FYE 2025 vs FYE 2024
Ream	168	130	160	▲23.08%
Amount (RM)	3,306	1,790	1805	▲0.84%

MANAGING SUSTAINABILITY (CONT'D)

2. ENVIRONMENTAL (CONT'D)

The increase in A4 paper usage during FYE 2025 was mainly attributable to higher administrative and documentation requirements arising from the Group's corporate exercises and business activities during the year, including the preparation and circulation of corporate documents in relation to the proposed joint venture and the establishment of the ESOS.

Despite the temporary increase, the Group remains committed to reducing paper consumption through continuous digitalisation initiatives such as electronic documentation, email communication, and minimising unnecessary printing.

b. Paperless Invoicing

Related UNSDG:

(i) **Risks**: Resistance from customers with high-volume invoicing needs who prefer hard copies, and potential administrative errors during the transition to a hybrid (partial digital) invoicing model.

(ii) **Opportunities**: Faster transactions, reduced internal paper usage, cost savings, and reduced environmental footprint.

(iii) **Performance Target**: Maintain full compliance with the Inland Revenue Board of Malaysia ("IRB") e-Invoicing requirements while continuing to improve internal digital invoicing processes.

(iv) **Identification**: Paper-based invoicing was identified as an area for improvement through internal operational efficiency reviews and sustainability assessments.

(v) **Importance**: Transitioning to electronic invoicing reduces costs, improves operational efficiency, supports environmental goals and aligns with the Group's broader digital transformation initiatives.

(vi) **Management Approach**:

➢ Policies: The Group encouraged digital communications, transactions and gradual transition to electronic invoicing.

➢ Measures/Actions Taken: While full adoption of paperless invoicing faced challenges — particularly from customers in the trading of electronic devices who require hardcopies due to long itemised invoice lists — the Group has taken steps to reduce internal paper usage. Previously, three copies of each invoice were printed (for the customer, internal filing, and sales personnel). Since 2019, only one copy is printed for the customer, while the internal and sales copies are maintained digitally. This adjustment has led to a notable reduction in internal paper consumption, although the increase in sales volume and corresponding invoicing activity has partially offset the overall savings.

During FYE 2025, the Group continued preparing for the IRB's e-Invoicing implementation by reviewing internal invoicing processes and enhancing digital documentation practices. These efforts aim to ensure a smooth transition to full electronic invoicing while maintaining operational efficiency and customer service standards.

MANAGING SUSTAINABILITY (CONT'D)

2. ENVIRONMENTAL (CONT'D)

b. Paperless Invoicing (Cont'd)

➢ Sustainability Performance: The Group has continued its internal paper-saving measures throughout FYE 2023, FYE 2024 and FYE 2025 by reducing printed invoice copies from three to one per transaction. This initiative represents a consistent effort to minimise paper usage, effectively reducing internal invoice-related printing by approximately two-thirds.

During FYE 2025, the number of invoices issued remained relatively high due to increased sales activities. Nevertheless, the continued adoption of digital documentation for internal records has helped reduce overall internal printing requirements. The Group remains committed to progressively transitioning to full electronic invoicing in line with regulatory requirements and ongoing digital transformation initiatives.

c. Emissions Management
Scope 1 Greenhouse Gas ("GHG") Emissions (Fuel Consumption)

Related UNSDG:

(i) **Risks**: Rising fuel costs and regulatory pressures.

(ii) **Opportunities**: Cost savings from energy efficiency.

(iii) **Performance Target**: Reduce greenhouse gas ("GHG") emissions for Scope 1 by 5% for FYE 2026.

(iv) **Identification**: GHG emissions were identified through fuel consumption monitoring and carbon footprint calculations.

(v) **Importance**: Managing emissions is essential for cost efficiency and reducing the environmental impact of company operations.

(vi) **Management Approach**:

➢ Policies: The Group is committed to tracking and reducing GHG emissions through various initiatives. These include monitoring fuel consumption, implementing energy-efficient practices such as LED lighting, and encouraging sustainable business operations.

➢ Measures/Actions Taken: In FYE 2024, the Group expanded its delivery fleet to meet growing customer demand and increased sales. Compared to FYE 2023, the number of delivery vehicles at the headquarters grew from one to three (two lorries and one van), resulting in higher fuel consumption. The Group continued to improve logistics efficiency through bulk purchases, bulk deliveries, and route optimisation to reduce unnecessary mileage. While overall fuel usage increased, it was proportionate to the rise in business volume and logistics requirements.

In FYE 2025, fuel consumption increased slightly compared to the previous year mainly due to higher sales volume, which resulted in increased delivery activities and logistics requirements. The Group maintained its focus on delivery optimisation through route planning and consolidated deliveries to reduce unnecessary travel distance. These initiatives are intended to improve fuel efficiency while supporting business growth.

MANAGING SUSTAINABILITY (CONT'D)

2. ENVIRONMENTAL (CONT'D)

c. Emissions Management
Scope 1 Greenhouse Gas ("GHG") Emissions (Fuel Consumption) (Cont'd)

(vi) **Management Approach (Cont'd)**:

To address the increase and realign with our emissions reduction target, the Group will consider enhancing delivery route mapping with GPS-based software to reduce travel distance and implementing load optimisation strategies to reduce the number of trips required.

➢ Sustainability Performance: The usage of fuel[2] is summarised below:

Metrics	FYE 2023	FYE 2024	FYE 2025	FYE 2025 vs FYE 2024
Liter	13,700.00	22,120.76	24,824.55	▲12.23%
Carbon Footprint (tCO_2e)[3]	31.82	51.38	57.64	▲12.18%

Note: Carbon emissions are calculated based on fuel consumption using a consistent emission factor applied across all reporting periods. Minor differences in percentage movement are due to rounding.

d. Emissions Management
Scope 2 GHG Emissions (Electricity Consumption)

Related UNSDG:

(i) **Risks**: Employee resistance to changes in electricity-saving practices and limited energy-saving opportunities due to increased operational activities.

(ii) **Opportunities**: Lower long-term energy costs, improving sustainable practices.

(iii) **Performance Target**: Endeavour to reduce electricity consumption by 1% to 2% annually where operationally feasible.

(iv) **Identification**: Electricity consumption trends were identified through regular monitoring of utility bills and energy management practices.

(v) **Importance**: Enhancing electricity efficiency reduces operational costs and supports the Group's environmental sustainability goals.

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[2] The fuel usage for Company's vehicles which includes Director's vehicle and Logistic vehicles.
[3] Estimated Carbon Footprint converted from SME Carbon Footprint Calculator – Malaysian Green Technology And Climate Change Corporation (mgtc.gov.my)

MANAGING SUSTAINABILITY (CONT'D)

2. ENVIRONMENTAL (CONT'D)

d. Emissions Management
Scope 2 GHG Emissions (Electricity Consumption) (Cont'd)

(vi) Management Approach (Cont'd):

- Policies: The Group promotes energy efficiency by encouraging reduction in electricity consumption where possible.

- Measures/Actions Taken: The Group installed LED light tubes and upgraded a few air-conditioning units to energy efficiency-rated models.

  While electricity usage increased in FYE 2024, this was primarily driven by higher sales volume and the execution of corporate exercises, which required extended working hours and greater use of office facilities.

  In FYE 2025, electricity consumption remained relatively stable compared to the previous year, reflecting the continued implementation of energy-saving initiatives such as the use of LED lighting, energy-efficient air-conditioning systems, and improved awareness among employees on responsible electricity usage.

  The Group continues to encourage employees to switch off lighting and office equipment when not in use and to minimise unnecessary after-hours electricity consumption where possible.

  To further support its electricity reduction target, the Group plans to progressively implement additional energy efficiency measures, including optimising air-conditioning temperature settings, enhancing monitoring of electricity usage through periodic reviews of utility consumption, and identifying opportunities to replace older electrical equipment with more energy-efficient alternatives where feasible.

- Key Sustainability Indicators: The electricity usage is summarised below:

Metrics	FYE 2023	FYE 2024	FYE 2025	FYE 2025 vs FYE 2024
KWH	75,232.0	81,682.0	81,865.6	▲0.22%
Carbon Footprint [4] (tCO_2e)	58.68	63.71	63.86	▲0.24%

Note: Minor differences in percentage movement between electricity consumption and carbon footprint are due to rounding.

The slight increase in electricity consumption reflects the Group's expanded operational activities while energy efficiency measures continue to be implemented across its office and operational facilities.

[4] Estimated Carbon Footprint converted from SME Carbon Footprint Calculator – Malaysian Green Technology and Climate Change Corporation (mgtc.gov.my)

SUSTAINABILITY STATEMENT
(CONT'D)

MANAGING SUSTAINABILITY (CONT'D)

2. ENVIRONMENTAL (CONT'D)

e. Water Management

Related UNSDG:

(i) **Risks**: Seasonal rain dependency and infrastructure maintenance.

(ii) **Opportunities**: Lower water costs and sustainable business operations.

(iii) **Performance Target**: Maintain efficient water usage within the minimum consumption tier throughout FYE 2026. While further reductions may not be feasible due to already minimal usage levels, the Group aims to sustain efficient water management through ongoing monitoring and operational controls.

(iv) **Identification**: Water consumption trends were identified through site-level monitoring and billing analysis.

(v) **Importance**: Sustainable water management is essential for cost savings and resource efficiency.

(vi) **Management Approach**:

➢ Policies: The Group encourages responsible water use and continuously promotes awareness of water conservation among employees.

➢ Measures/Actions Taken: The Group has implemented rainwater harvesting systems to optimise water conservation. Although total water consumption generally remains within the base tariff bracket for most months, regular monitoring is maintained to minimise wastage and identify any unusual spikes in usage.

In FYE 2025, the Group continued implementing its water monitoring practices and encouraged employees to practise responsible water usage at operational sites. Rainwater harvesting remains an important initiative to supplement water usage where feasible and reduce reliance on treated water supply.

➢ Key Sustainability Indicators: The following table summarises the Group's water consumption:

Financial Year Ended	Total Consumption (m^3)	Amount (RM)
31 December 2023	158	1,205.24
31 December 2024	266	1,653.70
31 December 2025	334	1,751.60

The increase in water consumption in FYE 2025 was primarily attributable to operational requirements at the Group's plantation sites, which are currently in the development and maintenance stage. Although the plantation segment has yet to generate revenue, the Group continues to incur operational costs associated with cultivation, maintenance, and site management activities.

MANAGING SUSTAINABILITY (CONT'D)

2. ENVIRONMENTAL (CONT'D)

f. "MYOrganic" Certification

Related UNSDG:

(i) **Risks**: Non-compliance could lead to loss of certification, affecting product reputation and market trust.

(ii) **Opportunities**: Strengthens market position by meeting consumer demand for certified organic products, opening doors to premium markets.

(iii) **Performance Target**: Maintain MYOrganic certification and continue adhering to organic agricultural practices through periodic renewal and compliance with certification requirements.

(iv) **Identification**: MYOrganic certification requirements were identified as critical for maintaining product credibility and compliance with organic agricultural standards.

(v) **Importance**: This certification assures customers and stakeholders that CMSB, as part of Compugates Group, follows sustainable agricultural practices, enhancing trust and marketability. CMSB's gaharu plantation activities remain in the development stage and are expected to support future revenue generation through inoculation, harvesting, distillation services and gaharu-related products.

(vi) **Management Approach**:

- ➢ Policies: Compugates Group is committed to promoting sustainable agricultural practices across its operations. CMSB, as the entity holding MYOrganic certification, ensures adherence to organic cultivation methods by avoiding synthetic fertilizers and pesticides.

- ➢ Measures/Actions Taken: CMSB complied with MYOrganic certification by implementing strict organic farming practices, including natural pest control and soil enrichment techniques, providing regular training for farmers and workers on organic standards, conducting internal audits to ensure continued adherence to organic cultivation practices, and engaging with certification bodies for periodic assessments and renewal of certification. These efforts support the long-term development of CMSB's gaharu plantation business.

- ➢ Sustainability Performance: CMSB successfully renewed the MYOrganic certification[5] until 31 December 2026 and will continue renewal efforts in subsequent years.

[5] No. Sijil: myOrganic.14.0029/A-189

MANAGING SUSTAINABILITY (CONT'D)

3. GOVERNANCE

Strong corporate governance is fundamental to the Group's ability to sustain long-term growth, maintain investor confidence, and uphold business integrity. We are committed to transparency, accountability, and ethical decision-making, ensuring that governance structures support the company's strategic objectives.

Our governance framework includes robust risk management practices, compliance with legal and regulatory requirements, and policies that promote ethical business conduct. By fostering a governance culture based on integrity and responsibility, we strengthen stakeholder trust and ensure sustainable value creation.

a. Corporate Governance and Risk Management

Related UNSDG:

(i) **Risks**: Non-compliance with governance regulations may lead to regulatory penalties and reputational damage, while poor risk management could expose the Group to financial losses and operational disruptions.

(ii) **Opportunities**: Strong governance practices enhance investor confidence and corporate reputation, while effective risk management improves business resilience and decision-making.

(iii) **Performance Target**: Continue to adopt the principles and practices of the Malaysian Code on Corporate Governance 2021 ("MCCG") and conduct annual reviews of the Group's risk register.

(iv) **Identification**: Corporate governance and risk management are identified through regulatory requirements, internal assessments, and stakeholder expectations.

(v) **Importance**: Strong corporate governance enhances transparency, accountability, and investor confidence. Effective risk management ensures business continuity and resilience against operational and financial uncertainties, reducing the risk of financial mismanagement.

(vi) **Management Approach**:

- ➢ Policies: The Group adopted the principles and recommendations of MCCG and implemented a risk management framework to assess and mitigate key business risks.

- ➢ Measures/Actions Taken: The Group conducted regular governance reviews and implemented risk management policies and controls. The risk register was reviewed yearly to ensure that the Group effectively identifies, assesses, and manages potential risks to its operations, strategy, and objectives.

- ➢ Sustainability Performance: Details of the Group's corporate governance practices are set out in the Corporate Governance Overview Statement, while information on the Group's risk management framework and internal control system is disclosed in the Statement on Risk Management and Internal Control of the Annual Report 2025.

MANAGING SUSTAINABILITY (CONT'D)

3. GOVERNANCE (CONT'D)

b. Personal Data Protection Act 2010 ("PDPA") Compliance

Related UNSDG:

(i) **Risks**: Data breaches could lead to financial penalties and a loss of customer trust, and evolving cybersecurity threats require ongoing vigilance.

(ii) **Opportunities**: Strengthening data protection practices presents an opportunity to enhance brand reputation and build customer trust. As cybersecurity threats evolve, investing in essential security measures, such as antivirus software and secure data handling, can further improve resilience and ensure compliance with PDPA.

(iii) **Performance Target**: Strive to maintain zero substantiated complaints related to breaches of customer privacy and data loss while continuously strengthening data protection practices in accordance with the PDPA.

(iv) **Identification**: PDPA compliance is identified as a critical sustainability matter due to legal requirements, regulatory obligations, and the increasing importance of data privacy for business operations and customer trust, especially in the face of growing cybersecurity threats.

(v) **Importance**: Ensuring PDPA compliance protects stakeholders' personal data, prevents legal penalties, and enhances customer confidence, thereby increasing customer retention and business growth.

(vi) **Management Approach**:

➢ Policies: The Group adheres to data protection policy to ensure compliance with the Personal Data Protection Act 2010 ("PDPA") and maintains secure data storage and handling procedures.

➢ Measures/Actions Taken: The Group conducted periodic briefings to employees on data privacy protection and continued to review its data security practices during FYE 2025. The PDPA 2010 Notice and Choice, as well as the Human Resources Data Protection Policy, remain accessible on the corporate website for reference by stakeholders.

➢ Key Sustainability Indicator: The Group strictly adhered to the PDPA requirements and there were no substantiated complaints concerning breaches of customer privacy and losses of customer data for FYE 2023, FYE 2024 and FYE 2025.

SUSTAINABILITY STATEMENT
(CONT'D)

MANAGING SUSTAINABILITY (CONT'D)

3. GOVERNANCE (CONT'D)

c. Anti-Bribery and Anti-Corruption ("ABAC") Policy

Related UNSDG:

(i) **Risks**: Non-compliance with anti-bribery laws can result in legal consequences, while corruption allegations have the potential to severely damage the Group's corporate reputation.

(ii) **Opportunities**: Strong anti-corruption measures enhance investor confidence and ensure regulatory compliance, while ethical business practices attract reputable business partners and customers.

(iii) **Performance Target**: The Group is committed to upholding the highest standards of integrity and ethical conduct. The Group aims to maintain zero confirmed incidents of corruption through preventive measures and strict enforcement of the ABAC Policy.

(iv) **Identification**: ABAC risks are identified through internal audits, regulatory requirements, and stakeholder expectations.

(v) **Importance**: Ethical business practices are critical to maintaining stakeholder trust, ensuring regulatory compliance, and preventing financial and reputational risks.

(vi) **Management Approach**:

➢ Policies: The Group adopted an ABAC Policy aligned with the Malaysian Anti-Corruption Commission (MACC) Act 2009 and its 2018 amendment, reinforcing a zero-tolerance approach to corruption and unethical business practices.

➢ Measures/Actions Taken: The Group continued to promote awareness of ethical business practices and maintained internal controls to mitigate corruption risks across its operations. The ABAC Policy remains available on the corporate website to guide employees and stakeholders in upholding integrity and transparency in business dealings.

➢ Key Sustainability Indicator: The Group's commitment to anti-bribery and anti-corruption practices is reflected in the following key indicators over the past three financial years, as summarised below:

Confirmed incidents of corruption and action taken

Indicator	FYE 2023	FYE 2024	FYE 2025
Confirmed incidents of corruption	0	0	0

The Group remains committed to upholding a strong anti-corruption culture and continues to monitor its operations through internal controls, employee awareness initiatives and ongoing compliance reviews.

MANAGING SUSTAINABILITY (CONT'D)

3. GOVERNANCE (CONT'D)

d. Whistleblowing Policy

Related UNSDG:

(i) **Risks**: Fear of retaliation among employees may reduce the reporting of unethical activities, and ineffective whistleblowing mechanisms can result in regulatory scrutiny.

(ii) **Opportunities**: A robust whistleblowing framework strengthens corporate integrity and governance, while transparency in reporting fosters a culture of accountability and trust.

(iii) **Performance Target**: Ensure that all whistleblowing cases, if any, are addressed promptly and appropriately in accordance with the Group's Whistleblowing Policy, while maintaining zero unresolved complaints.

(iv) **Identification**: Whistleblowing mechanisms are identified as critical tools for promoting transparency, ethical behavior, and good corporate governance.

(v) **Importance**: A strong whistleblowing framework encourages employees and stakeholders to report misconduct without fear, fostering integrity within the organisation.

(vi) **Management Approach**:

➢ Policies: The Whistleblowing Policy ensures confidentiality and protection against retaliation, providing independent reporting channels to encourage the reporting of misconduct. This policy is available on the corporate website.

➢ Measures/Actions Taken: The Group conducted briefings on whistleblower rights and protections and regularly reviewed whistleblowing cases, and the actions taken to address them.

➢ Sustainability Performance: During FYE 2023, FYE 2024 and FYE 2025, no whistleblowing cases were reported. This may reflect a positive work environment where employees do not encounter issues that warrant reporting. While no cases have been raised, the Group remains committed to maintaining a transparent and ethical culture through continuous communication, training, and the provision of a secure and confidential reporting channel.

MANAGING SUSTAINABILITY (CONT'D)

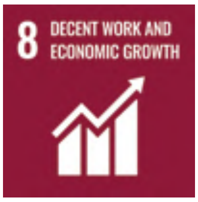
4. SOCIAL

Compugates Group places strong emphasis on social sustainability by fostering a positive workplace culture, promoting ethical business practices, and engaging with communities. We believe that our people, customers, and stakeholders are integral to long-term success, and we are committed to ensuring their well-being.

Our social sustainability efforts focus on employee development, workplace diversity, health and safety, and responsible corporate citizenship. Through continuous engagement, fair labor practices, and community initiatives, we strive to create meaningful social impact while upholding high ethical standards.

a. Human and Workers' Rights Protections

Related UNSDG:



(i) **Risks**: Reputational damage and legal penalties if human rights violations occur.

(ii) **Opportunities**: Strengthened employer branding and compliance with global labour standards.

(iii) **Performance Target**: Maintain zero substantiated complaints annually.

(iv) **Identification**: Human and workers' rights concerns are identified through employee feedback, grievance reporting channels, and compliance with labour laws.

(v) **Importance**: Protecting human and workers' rights ensures a fair and safe workplace, enhances employee morale, and mitigates legal and reputational risks.

(vi) **Management Approach**:

➢ Policies: The Group is committed to protecting employees from discrimination, harassment, and unfair treatment in the workplace. A Whistleblowing Policy is in place to allow employees to report any violations confidentially.

➢ Measures/Actions Taken: The Group implemented grievance mechanisms for employees to report issues, uphold ethical workplace practices and compliance, and enforce strict labour policies in accordance with national laws.

➢ Key Sustainability Indicators: The number of substantiated complaints concerning human rights violations is summarised below:

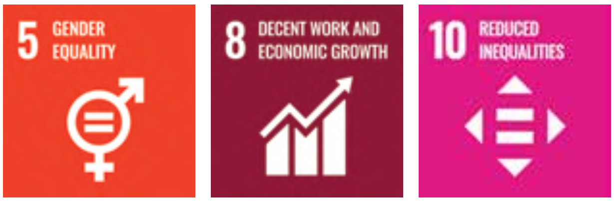
Financial Year Ended	Number of substantiated complaints
31 December 2023	0
31 December 2024	0
31 December 2025	0

MANAGING SUSTAINABILITY (CONT'D)

4. SOCIAL (CONT'D)

b. Equality and Diversity

Related UNSDG:



(i) **Risks**: Industry-specific challenges in recruiting female leaders.

(ii) **Opportunities**: Stronger corporate reputation and compliance with regulatory expectations.

(iii) **Performance Target**: Maintain at least 30% participation of women in leadership roles at the management level for FYE 2026.

(iv) **Identification**: Workforce diversity and gender balance concerns were identified through Human Resources workforce data analysis and adoption of best practice in accordance with MCCG.

(v) **Importance**: Promoting diversity ensures a fair and inclusive workplace, attracts top talent, and aligns with best practices on gender equality.

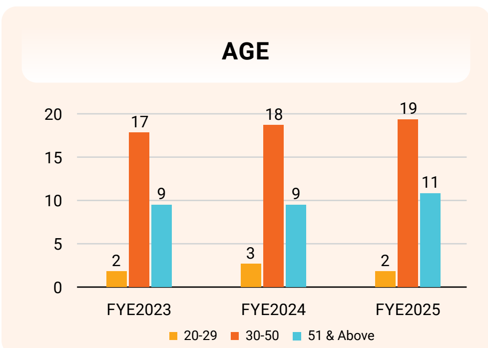
(vi) **Management Approach**:

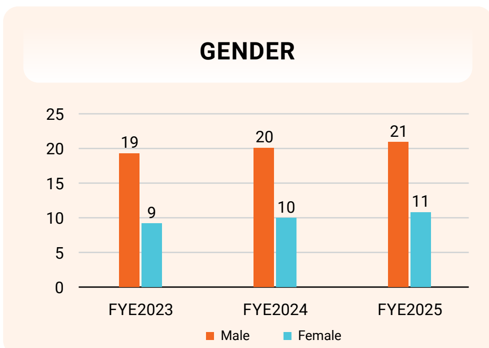
➢ Policies: The Group prohibits discrimination, promotes fair hiring and career progression, and supports women's leadership development.

➢ Measures/Actions Taken: The Board of Compugates is actively managing its workforce diversity to ensure equal employment opportunity between male and female. Diversity may result from a wide range of factors which include age, gender ethnicity or cultural background. The Group fosters an environment where the ability to contribute and access to employment opportunities is based on performance, skills and merits. These will include equal opportunity in respect to employment and employment conditions such as hiring, training for professional development and promotion for career advancement.

➢ Key Sustainability Indicators: The employee and Directors' demographics are summarised below:

Employees





MANAGING SUSTAINABILITY (CONT'D)

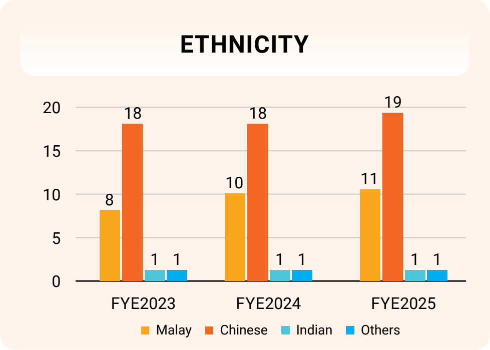
4. SOCIAL (CONT'D)

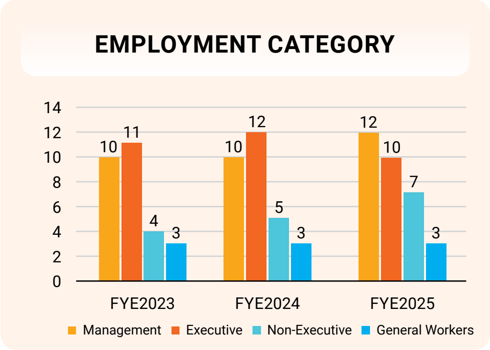
b. Equality and Diversity (Cont'd)

(vi) **Management Approach (Cont'd)**:

➢ Key Sustainability Indicators: The employee and Directors' demographics are summarised below (Cont'd):

Employees (Cont'd)





Note: The figures in the above charts represent the number of employees.

The percentage of employees who are contractors or temporary staff is shown below:

Financial Year Ended	%
31 December 2023	0
31 December 2024	0
31 December 2025	0

Directors

The Boards of CSB, CMSB and CDMSB for FYE 2023, FYE 2024 and FYE 2025 comprised the same group of highly experienced individuals. All Board members were aged 60 and above, bringing decades of leadership and industry expertise to the Group.

The gender diversity of the Boards of CSB, CMSB and CDMSB is summarised below:

Financial Year Ended	Male	Female
31 December 2023	50%	50%
31 December 2024	50%	50%
31 December 2025	50%	50%

MANAGING SUSTAINABILITY (CONT'D)

4. SOCIAL (CONT'D)

c. Employee Training and Development

Related UNSDG:

(i) **Risks**: Resistance to training and time constraints for employees.

(ii) **Opportunities**: Higher employee retention and innovation-driven workforce.

(iii) **Performance Target**: Provide employees with at least 2 hours of essential role-specific training in FYE 2025.

(iv) **Identification**: The need for employee training is identified through performance reviews, skill gap analyses, and evolving industry requirements.

(v) **Importance**: Continuous training enhances employee competency, increases productivity, and supports long-term business growth.

(vi) **Management Approach**:

➢ Policies: At Compugates, we are committed to attracting, retaining, and developing talent to drive the Group's success. We believe that continuous learning and personal development are essential for both the growth of our employees and the overall success of the company. Our policy emphasises principles of continuous employee development and lifelong learning.

➢ Measures/Actions Taken: The Group executed employee training plans and collaborated with external training providers to offer industry-relevant courses. During the FYE 2025, the employees attended the following training programs and seminars:

- Malaysia E-Invoicing: A Comprehensive Guide with Post-Implementation Insights
- How to Conduct Training Needs Analysis
- 5S Housekeeping Strategies
- Run & Gun: Network Penetration Testing
- Introduction to E-Invoicing Implementation in Malaysia
- Program Pencegahan Kebakaran
- Malaysia Business Reporting System (MBRS) 2.0 for Preparers: Financial Statements
- Stamp Duty Webinar 2.0 – Charting the Change: Adapting to Malaysia's Stamp Duty Self-Assessment Regime
- Team Building & Safety Health

MANAGING SUSTAINABILITY (CONT'D)

4. SOCIAL (CONT'D)

c. Employee Training and Development (Cont'd)

(vi) **Management Approach (Cont'd)**:

➢ Key Sustainability Indicators: The total hours of training by employee category are provided below:

Employee Category	FYE 2023	FYE 2024	FYE 2025
Management	102	110	159
Executives	3	12	168
Non-Executives	0	4	79
General Workers	0	0	0

d. Employee Welfare

Related UNSDG:

(i) **Risks**: High turnover may lead to increased hiring costs and loss of experienced talent.

(ii) **Opportunities**: Employee satisfaction strengthens company reputation and reduces hiring costs.

(iii) **Performance Target**: Maintain an optimal retention rate by ensuring employee well-being initiatives.

(iv) **Identification**: Employee welfare needs are assessed through exit interviews and turnover analysis.

(v) **Importance**: A well-supported workforce leads to higher retention, better productivity, and a positive workplace culture.

(vi) **Management Approach**:

➢ Policies: At Compugates, we are committed to fostering a supportive work environment that prioritises employee well-being. Our policy promotes a performance-based culture where employees are encouraged to reach their full potential and are fairly rewarded for their contributions. We offer competitive remuneration, long-term career development opportunities, employee recognition, and initiatives that enhance social well-being.

MANAGING SUSTAINABILITY (CONT'D)

4. SOCIAL (CONT'D)

d. Employee Welfare (Cont'd)

(vi) **Management Approach (Cont'd)**:

➢ Measures/Actions Taken: The Group has structured attractive remuneration packages to ensure employees are fairly rewarded while remaining competitive to attract top talent. As a token of appreciation for long-serving employees, service awards for 5 and 10 years of service are presented annually. Employee well-being plays a crucial role in productivity and workplace relationships. To foster a positive and engaging work culture, Compugates has established a Recreation Club, managed by elected representatives who are voted in annually. The club organises various activities, including team-building events, sports activities, company trips, celebrations, social gatherings, and dinners, all aimed at strengthening workplace relationships and enhancing employee morale.

➢ Key Sustainability Indicators: The total number of employee turnover by employee category is listed below:

Employee Category	FYE 2023	FYE 2024	FYE 2025
Management	2	0	0
Executives	1	2	1
Non-Executives	0	1	1
General Workers	1	1	0
Total	**4**	**4**	**2**

The employee turnover recorded in FYE 2025 was lower compared to FYE 2024. This improvement reflects the Group's continued efforts to strengthen employee engagement, enhance workplace culture, and provide competitive remuneration packages. The Group remains committed to maintaining a supportive working environment that encourages long-term career development and employee satisfaction.

MANAGING SUSTAINABILITY (CONT'D)

4. SOCIAL (CONT'D)

e. Community Engagement

Related UNSDG:

(i) **Risks**: Limited resources may restrict the ability to support community programs.

(ii) **Opportunities**: Strengthened corporate image, improved stakeholder relations, and long-term positive impact on society.

(iii) **Performance Target**: Undertake at least one community engagement initiative annually.

(iv) **Identification**: Community engagement initiatives were identified through assessments of local needs and evaluations of past corporate social responsibility programs.

(v) **Importance**: Active participation in community engagement programs enhances corporate reputation, fosters goodwill, and strengthens relationships with local communities.

(vi) **Management Approach**:

➢ Policies: The Group is committed to supporting local communities through its corporate social responsibility initiatives.

➢ Measures/Actions Taken: The Group engages in community-based programs, either independently or in collaboration with external organisations, and encourages employee volunteer initiatives and contributions to social causes.

➢ Key Sustainability Indicators: The Group's contributions to the community are summarised below:

Indicators	FYE 2023	FYE 2024	FYE 2025
Total amount invested in the community (RM)	0[(1)]	0	2,200
Total number of beneficiaries	4	0	3

Note:
[(1)] This is a non-monetary contribution. In FYE 2023, the Group supported educational development by allowing four students from Universiti Teknologi MARA (UiTM) to attend and observe the Group's virtual Annual General Meeting held on 30 May 2023. This initiative was undertaken to support the students' curriculum requirement for the Company Secretarial Practice I module, part of the Bachelor of Corporate Administration (Honours) programme.

MANAGING SUSTAINABILITY (CONT'D)

4. SOCIAL (CONT'D)

e. Community Engagement (Cont'd)

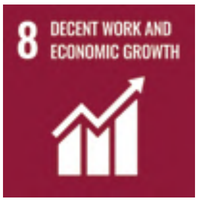
(vi) **Management Approach (Cont'd)**:

In FYE 2025, the Group resumed its community engagement initiatives by organising charitable visits to several welfare organisations, including Yi Xing Old Folks Home in Subang Jaya, Persatuan Kebajikan Kanak-kanak Mata Air Kehidupan Selangor in Batang Kali, and Pertubuhan Kebajikan USJ Subang Jaya, which supports elderly and OKU residents.

Through these initiatives, the Group contributed a total of RM2,200 to support the welfare and daily needs of the beneficiaries. These efforts reflect the Group's continued commitment to contributing positively to the community and fostering meaningful relationships with local stakeholders.

f. Health & Safety

Related UNSDG:



(i) **Risks**: Workplace accidents may lead to injuries, reputational damage, and legal penalties.

(ii) **Opportunities**: Maintaining a safe and healthy working environment enhances employee confidence, improves operational efficiency, and strengthens overall organisational resilience.

(iii) **Performance Target**: Maintain zero work-related fatalities, maintain a zero lost time incident rate and continue to enhance employees' awareness of health and safety through training programmes and safety briefings for FYE 2026.

(iv) **Identification**: Workplace safety risks are identified through internal safety audits, incident reports, and compliance with national health and safety regulations.

(v) **Importance**: A strong health and safety culture ensures employee well-being, reduces workplace accidents, and enhances productivity. Compliance with safety regulations also protects the company from legal and financial risks.

(vi) **Management Approach**:

➢ Policies: The Group is committed to maintaining a safe and healthy working environment for all employees. The Group prioritizes workplace safety, staff welfare, and continuous development. As part of this commitment, employees are provided with personal accident and insurance coverage to support their well-being and financial protection in the event of unforeseen incidents.

MANAGING SUSTAINABILITY (CONT'D)

4. SOCIAL (CONT'D)

f. Health & Safety (Cont'd)

(vi) **Management Approach (Cont'd)**:

➢ Measures/Actions Taken: The Group conducted safety briefings for employees, implemented workplace hazard identification and risk assessment procedures, and provided personal protective equipment where necessary. In addition, all workplace incidents, if any, are reported and investigated to identify root causes and enhance preventive measures.

The effectiveness of the Group's safety management efforts is reflected in the achievement of zero work-related fatalities and zero lost-time incidents throughout the reporting period.

➢ Key Sustainability Indicators: The Group's commitment to workplace safety is reflected in the following key indicators:

Indicators	FYE 2023	FYE 2024	FYE 2025
Number of work-related fatalities	0	0	0
Lost time incident rate	0	0	0
Number of employees trained on health and safety standards	0	2	21

The number of employees trained on health and safety standards increased significantly in FYE 2025 compared to FYE 2024 as part of the Group's continued efforts to strengthen safety awareness among employees.

Internal Auditors' Assurance

The Statement for FYE 2025 has been subjected to an internal review by our internal auditors. The review assessed the accuracy of disclosures, alignment with MMLR of Bursa Securities, and the effectiveness of sustainability data management. Based on their assessment, the Statement fairly represents the Group's sustainability initiatives and performance.

Moving Forward

Our commitment to sustainability is ongoing, acknowledging that there's room for improvement in both our initiatives and reporting structure. We remain vigilant in monitoring industry developments, actively engaging stakeholders, and striving to integrate sustainable practices into our operations to enhance our overall performance.

21 April 2026

COMPUGATES HOLDINGS BERHAD
No. 3, Jalan PJU 1/41,
Block C1 Dataran Prima,
47301 Petaling Jaya,
Selangor Darul Ehsan.

Attention: Mdm. Tan Siew Li (Chairman of Risk Management Committee)

INDEPENDENT LIMITED ASSURANCE STATEMENT ON SUBJECT MATTER INFORMATION IN COMPUGATES HOLDINGS BERHAD'S SUSTAINABILITY STATEMENT

To the Board of Directors of Compugates Holdings Berhad

We, Vaersa Advisory Sdn. Bhd. have been engaged by Compugates Holdings Berhad ("CHB" or the "Group") to perform an independent limited assurance engagement on selected sustainability indicators (hereinafter referred to as the "Subject Matter Information") as reported by CHB in its Sustainability Statement for the year ended 31 December 2025 ("FYE 2025").

Our Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information contained in the CHB's Sustainability Statement for FYE 2025 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Subject Matter Information

In strengthening the credibility of our reporting, this Sustainability Statement has been subjected to independent assurance in accordance with recognised assurance standards for selected indicators and has been approved by the Company's Audit Committee.

SUSTAINABILITY STATEMENT (CONT'D)

The Scope, Subject Matter(s) covered, and Conclusion (where applicable) are provided below:

Type of Assurance	Material Matters	Subject Matter	Target	Progress / Performance	Conclusion
Independent Assurance	Economic	Financial Performance	While no specific numerical targets are set, the Group is committed to continuous financial improvement through prudent financial management and sustainable business strategies.	The Group recorded revenue of approximately RM38.9 million for FYE 2025, representing an increase of approximately RM17.0 million or 77.6% compared to RM21.9 million recorded in the financial year ended 31 December 2024 ("FYE 2024"), and a significant increase from RM15.4 million recorded in the financial year ended 31 December 2023 ("FYE 2023"). The increase was mainly driven by the introduction of a new revenue stream from the property investment and development segment, which contributed approximately RM16.8 million during FYE 2025. Notwithstanding the higher revenue achieved, the Group recorded a loss after taxation of approximately RM23.3 million for FYE 2025, compared to RM10.5 million in FYE 2024 and RM8.0 million in FYE 2023. Moving forward, the Group remains focused on improving operational efficiency, strengthening its trading and services segment, increasing revenue contributions from its property investment and development activities, while the plantation segment continues to be developed for future commercialisation once cultivation and harvesting activities commence.	Verified
		Supply Chain Management	At least 90% of procurement spending to local suppliers to support the local economy and ensure supply chain resilience for the financial year ending 31 December 2026 ("FYE 2026").	The Group successfully achieved its procurement target for FYE 2025 by maintaining 100% spending on local suppliers. This exceeded the Group's target of allocating at least 90% of procurement spending to local suppliers.	Verified

The Scope, Subject Matter(s) covered, and Conclusion (where applicable) are provided below (Cont'd):

<table>
<tr><th>Type of Assurance</th><th>Material Matters</th><th>Subject Matter</th><th>Target</th><th>Progress / Performance</th><th>Conclusion</th></tr>
<tr><td rowspan="3">Independent Assurance</td><td>Economic</td><td>Supply Chain Management (Cont'd)</td><td>At least 90% of procurement spending to local suppliers to support the local economy and ensure supply chain resilience for the financial year ending 31 December 2026 ("FYE 2026"). (Cont'd)</td><td>The Group demonstrated its commitment to supporting the local economy by engaging 100% local suppliers in its procurement activities over the past three financial years, ensuring that its operations contributed directly to local businesses while strengthening supply chain resilience.</td><td>Verified</td></tr>
<tr><td rowspan="2">Environmental</td><td>Recycled Materials</td><td>Reduce A4 paper usage by 10% by FYE 2026. While there is no specific target set for e-waste reduction, the Group planned to implement it via recycling and responsible disposal initiatives for electronic devices.</td><td>The Group implemented paper reduction measures by promoting digital documentation, encouraging double-sided printing, and reusing paper where possible.

Additionally, the Group encouraged the recycling of used electronic devices by engaging with recycling companies for trade-in, recycling, or proper disposal, where applicable.

<table><tr><th>Metrics</th><th>FYE 2025 vs FYE 2024</th></tr><tr><td>Ream</td><td>▲ 23.08%</td></tr><tr><td>Amount (RM)</td><td>▲ 0.84%</td></tr></table></td><td>Verified</td></tr>
<tr><td>Paperless Invoicing</td><td>Maintain full compliance with the Inland Revenue Board of Malaysia ("IRB") e-Invoicing requirements while continuing to improve internal digital invoicing processes.</td><td>During FYE 2025, the Group continued preparing for the IRB's e-Invoicing implementation by reviewing internal invoicing processes and enhancing digital documentation practices. These efforts aim to ensure a smooth transition to full electronic invoicing while maintaining operational efficiency and customer service standards.

During FYE 2025, the number of invoices issued remained relatively high due to increased sales activities.</td><td>Verified</td></tr>
</table>

SUSTAINABILITY STATEMENT (CONT'D)

The Scope, Subject Matter(s) covered, and Conclusion (where applicable) are provided below (Cont'd):

<table>
<tr><th>Type of Assurance</th><th>Material Matters</th><th>Subject Matter</th><th>Target</th><th>Progress / Performance</th><th>Conclusion</th></tr>
<tr><td rowspan="2">Independent Assurance</td><td>Environmental</td><td>Paperless Invoicing (Cont'd)</td><td>Maintain full compliance with the Inland Revenue Board of Malaysia ("IRB") e-Invoicing requirements while continuing to improve internal digital invoicing processes. (Cont'd)</td><td>Nevertheless, the continued adoption of digital documentation for internal records has helped reduce overall internal printing requirements. The Group remains committed to progressively transitioning to full electronic invoicing in line with regulatory requirements and ongoing digital transformation initiatives.</td><td>Verified</td></tr>
<tr><td>Environmental</td><td>Emissions Management- Scope 1 Greenhouse Gas ("GHG") Emissions (Fuel Consumption)</td><td>Reduce greenhouse gas ("GHG") emissions for Scope 1 by 5% for financial year ending 2026.</td><td>In FYE 2025, fuel consumption increased slightly compared to the previous year mainly due to higher sales volume, which resulted in increased delivery activities and logistics requirements. The Group maintained its focus on delivery optimisation through route planning and consolidated deliveries to reduce unnecessary travel distance. These initiatives are intended to improve fuel efficiency while supporting business growth.

To address the increase and realign with our emissions reduction target, the Group will consider enhancing delivery route mapping with GPS-based software to reduce travel distance and implementing load optimisation strategies to reduce the number of trips required.

<table><tr><th>FYE</th><th>Liter</th><th>tCO_2e</th></tr><tr><td>2023</td><td>13,700</td><td>31.82</td></tr><tr><td>2024</td><td>22,120.76</td><td>51.38</td></tr><tr><td>2025</td><td>24,824.55</td><td>57.64</td></tr></table></td><td>Verified</td></tr>
</table>

The Scope, Subject Matter(s) covered, and Conclusion (where applicable) are provided below (Cont'd):

<table>
<tr><th>Type of Assurance</th><th>Material Matters</th><th>Subject Matter</th><th>Target</th><th>Progress / Performance</th><th>Conclusion</th></tr>
<tr><td rowspan="2">Independent Assurance</td><td>Environmental</td><td>Emissions Management - Scope 2 GHG Emissions (Electricity Consumption)</td><td>Endeavor to reduce electricity consumption by 1% to 2% annually where operationally feasible.</td><td>In FYE 2025, electricity consumption remained relatively stable compared to the previous year, reflecting the continued implementation of energy-saving initiatives such as the use of LED lighting, energy-efficient air-conditioning systems, and improved awareness among employees on responsible electricity usage.

The Group continues to encourage employees to switch off lighting and office equipment when not in use and to minimise unnecessary after-hours electricity consumption where possible.

<table><tr><th>Metrics</th><th>FYE 2025 vs FYE 2024</th></tr><tr><td>KWH</td><td>▲ 0.22%</td></tr><tr><td>tCO_2e</td><td>▲ 0.24%</td></tr></table>
The slight increase in electricity consumption reflects the Group's expanded operational activities while energy efficiency measures continue to be implemented across its office and operational facilities.</td><td>Verified</td></tr>
<tr><td>Environmental</td><td>Water Management</td><td>Maintain efficient water usage within the minimum consumption tier throughout FYE 2026. While further reductions may not be feasible due to already minimal usage levels, the Group aims to sustain efficient water management through ongoing monitoring and operational controls.</td><td>In FYE 2025, the Group continued implementing its water monitoring practices and encouraged employees to practise responsible water usage at operational sites.

Rainwater harvesting remains an important initiative to supplement water usage where feasible and reduce reliance on treated water supply.</td><td>Verified</td></tr>
</table>

SUSTAINABILITY STATEMENT (CONT'D)

The Scope, Subject Matter(s) covered, and Conclusion (where applicable) are provided below (Cont'd):

<table>
<tr><th>Type of Assurance</th><th>Material Matters</th><th>Subject Matter</th><th>Target</th><th>Progress / Performance</th><th>Conclusion</th></tr>
<tr><td rowspan="2">Independent Assurance</td><td>Environmental</td><td>Water Management (Cont'd)</td><td>Maintain efficient water usage within the minimum consumption tier throughout FYE 2026. While further reductions may not be feasible due to already minimal usage levels, the Group aims to sustain efficient water management through ongoing monitoring and operational controls. (Cont'd)</td><td><table><tr><th>FYE</th><th>m³</th><th>Amount (RM)</th></tr><tr><td>2023</td><td>158</td><td>1,205.24</td></tr><tr><td>2024</td><td>266</td><td>1,653.70</td></tr><tr><td>2025</td><td>334</td><td>1,751.60</td></tr></table>
The increase in water consumption in FYE 2025 was primarily attributable to operational requirements at the Group's plantation sites, which are currently in the development and maintenance stage.

Although the plantation segment has yet to generate revenue, the Group continues to incur operational costs associated with cultivation, maintenance, and site management activities.</td><td>Verified</td></tr>
<tr><td>Environmental</td><td>"MYOrganic" Certification</td><td>Maintain MYOrganic certification and continue adhering to organic agricultural practices through periodic renewal and compliance with certification requirements.</td><td>CMSB complied with MYOrganic certification by implementing strict organic farming practices, including natural pest control and soil enrichment techniques, providing regular training for farmers and workers on organic standards, conducting internal audits to ensure continued adherence to organic cultivation practices, and engaging with certification bodies for periodic assessments and renewal of certification.

These efforts support the long-term development of CMSB's gaharu plantation business.

CMSB successfully renewed the MYOrganic certification until 31 December 2026 and will continue renewal efforts in subsequent years.</td><td>Verified</td></tr>
</table>

The Scope, Subject Matter(s) covered, and Conclusion (where applicable) are provided below (Cont'd):

Type of Assurance	Material Matters	Subject Matter	Target	Progress / Performance	Conclusion
Independent Assurance	Governance	Corporate Governance and Risk Management	Continue to adopt the principles and practices of the Malaysian Code on Corporate Governance 2021 ("MCCG ") and conduct annual reviews of the Group's risk register.	The Group conducted regular governance reviews and implemented risk management policies and controls. The risk register was reviewed yearly to ensure that the Group effectively identifies, assesses, and manages potential risks to its operations, strategy, and objectives.	Verified
	Governance	Personal Data Protection Act 2010 ("PDPA") Compliance	Strive to maintain zero substantiated complaints related to breaches of customer privacy and data loss while continuously strengthening data protection practices in accordance with the PDPA.	The Group conducted periodic briefings to employees on data privacy protection and continued to review its data security practices during FYE 2025. The PDPA 2010 Notice and Choice, as well as the Human Resources Data Protection Policy, remain accessible on the corporate website for reference by stakeholders. The Group strictly adhered to the PDPA requirements and there were no substantiated complaints concerning breaches of customer privacy and losses of customer data for FYE 2023, FYE 2024 and FYE 2025.	Verified
	Governance	Anti-Bribery and Anti-Corruption Policy ("ABAC") Policy	The Group is committed to upholding the highest standards of integrity and ethical conduct. The Group aims to maintain zero confirmed incidents of corruption through preventive measures and strict enforcement of the ABAC Policy.	The Group continued to promote awareness of ethical business practices and maintained internal controls to mitigate corruption risks across its operations. The ABAC Policy remains available on the corporate website to guide employees and stakeholders in upholding integrity and transparency in business dealings.	Verified

SUSTAINABILITY STATEMENT (CONT'D)

The Scope, Subject Matter(s) covered, and Conclusion (where applicable) are provided below (Cont'd):

<table>
<tr><th>Type of Assurance</th><th>Material Matters</th><th>Subject Matter</th><th>Target</th><th>Progress / Performance</th><th>Conclusion</th></tr>
<tr><td rowspan="2">Independent Assurance</td><td>Governance</td><td>Anti-Bribery and Anti-Corruption Policy ("ABAC") Policy (Cont'd)</td><td>The Group is committed to upholding the highest standards of integrity and ethical conduct. The Group aims to maintain zero confirmed incidents of corruption through preventive measures and strict enforcement of the ABAC Policy. (Cont'd)</td><td>The Group's commitment to anti-bribery and anti-corruption practices is reflected in the following key indicators over the past three financial years, as summarised below:

Confirmed incidents of corruption and action taken

FYE2023 to 2025:
<table><tr><th>FYE</th><th>Case</th></tr><tr><td>2023</td><td>0</td></tr><tr><td>2024</td><td>0</td></tr><tr><td>2025</td><td>0</td></tr></table></td><td>Verified</td></tr>
<tr><td>Governance</td><td>Whistle Blowing Policy</td><td>Ensure that all whistleblowing cases, if any, are addressed promptly and appropriately in accordance with the Group's Whistleblowing Policy, while maintaining zero unresolved complaints.</td><td>The Group conducted briefings on whistleblower rights and protections and regularly reviewed whistleblowing cases, and the actions taken to address them.

During FYE 2023, FYE 2024 and FYE 2025, no whistleblowing cases were reported.

This may reflect a positive work environment where employees do not encounter issues that warrant reporting.

While no cases have been raised, the Group remains committed to maintaining a transparent and ethical culture through continuous communication, training, and the provision of a secure and confidential reporting channel.</td><td>Verified</td></tr>
</table>

The Scope, Subject Matter(s) covered, and Conclusion (where applicable) are provided below (Cont'd):

<table>
<tr><th>Type of Assurance</th><th>Material Matters</th><th>Subject Matter</th><th>Target</th><th>Progress / Performance</th><th>Conclusion</th></tr>
<tr><td rowspan="2">Independent Assurance</td><td>Social</td><td>Human & Workers' Rights Protections</td><td>Maintain zero substantiated complaints annually.</td><td>The Group implemented grievance mechanisms for employees to report issues, uphold ethical workplace practices and compliance, and enforce strict labour policies in accordance with national laws.
<table>
<tr><th>FYE</th><th>No. of substantiated complaints</th></tr>
<tr><td>2023</td><td>0</td></tr>
<tr><td>2024</td><td>0</td></tr>
<tr><td>2025</td><td>0</td></tr>
</table></td><td>Verified</td></tr>
<tr><td>Social</td><td>Equality and Diversity</td><td>Maintain at least 30% participation of women in leadership roles at the management level for FYE 2026.</td><td>The Board of Compugates is actively managing its workforce diversity to ensure equal employment opportunity between male and female. Diversity may result from a wide range of factors which include age, gender ethnicity or cultural background.

The Group fosters an environment where the ability to contribute and access to employment opportunities is based on performance, skills and merits.

These will include equal opportunity in respect to employment and employment conditions such as hiring, training for professional development and promotion for career advancement.

Employees:
Age diversity FYE2025:
<table>
<tr><th>Age</th><th>No.</th></tr>
<tr><td>20-29</td><td>2</td></tr>
<tr><td>30-50</td><td>19</td></tr>
<tr><td>≥51</td><td>11</td></tr>
</table></td><td>Verified</td></tr>
</table>

SUSTAINABILITY STATEMENT (CONT'D)

The Scope, Subject Matter(s) covered, and Conclusion (where applicable) are provided below (Cont'd):

<table>
<tr><th>Type of Assurance</th><th>Material Matters</th><th>Subject Matter</th><th>Target</th><th>Progress / Performance</th><th>Conclusion</th></tr>
<tr><td rowspan="2">Independent Assurance</td><td>Social</td><td>Equality and Diversity (Cont'd)</td><td>Maintain at least 30% participation of women in leadership roles at the management level for FYE 2026. (Cont'd)</td><td>Gender diversity FYE2025:
<table>
<tr><th>Gender</th><th>No.</th></tr>
<tr><td>Male</td><td>21</td></tr>
<tr><td>Female</td><td>11</td></tr>
</table>
Ethnicity FYE2025:
<table>
<tr><th>Race</th><th>No.</th></tr>
<tr><td>Malay</td><td>11</td></tr>
<tr><td>Chinese</td><td>19</td></tr>
<tr><td>Indian</td><td>1</td></tr>
<tr><td>Others</td><td>1</td></tr>
</table>
Employment Category FYE2025:
<table>
<tr><th>Race</th><th>No.</th></tr>
<tr><td>Management</td><td>12</td></tr>
<tr><td>Executive</td><td>10</td></tr>
<tr><td>Non-Executive</td><td>7</td></tr>
<tr><td>General Workers</td><td>3</td></tr>
</table>
Directors of CSB, CMSB & CDMSB:
<table>
<tr><th>FYE</th><th>%</th></tr>
<tr><td>2023</td><td>Male:50
Female:50</td></tr>
<tr><td>2024</td><td>Male:50
Female:50</td></tr>
<tr><td>2025</td><td>Male:50
Female:50</td></tr>
</table></td><td>Verified</td></tr>
<tr><td>Social</td><td>Employee Training and Development</td><td>Provide employees with at least 2 hours of essential role-specific training in FYE 2025.</td><td>During FYE 2025, the total hours of training by employee category are provided below:
<table>
<tr><th>Employee Category</th><th>FYE 2025</th></tr>
<tr><td>Management</td><td>159</td></tr>
<tr><td>Executive</td><td>168</td></tr>
<tr><td>Non-Executive</td><td>79</td></tr>
<tr><td>General Workers</td><td>0</td></tr>
</table></td><td>Verified</td></tr>
</table>

The Scope, Subject Matter(s) covered, and Conclusion (where applicable) are provided below (Cont'd):

<table>
<tr><th>Type of Assurance</th><th>Material Matters</th><th>Subject Matter</th><th>Target</th><th>Progress / Performance</th><th>Conclusion</th></tr>
<tr><td rowspan="2">Independent Assurance</td><td>Social</td><td>Employee Welfare</td><td>Maintain an optimal retention rate by ensuring employee well-being initiatives.</td><td>The employee turnover recorded in FYE 2025 was lower compared to FYE 2024. This improvement reflects the Group's continued efforts to strengthen employee engagement, enhance workplace culture, and provide competitive remuneration packages.
<table>
<tr><th>Employee Category</th><th>FYE 2025</th></tr>
<tr><td>Management</td><td>0</td></tr>
<tr><td>Executive</td><td>1</td></tr>
<tr><td>Non-Executive</td><td>1</td></tr>
<tr><td>General Workers</td><td>0</td></tr>
<tr><td>Total</td><td>2</td></tr>
</table>
The Group remains committed to maintaining a supportive working environment that encourages long-term career development and employee satisfaction.</td><td>Verified</td></tr>
<tr><td>Social</td><td>Community Engagement</td><td>Undertake at least one community engagement initiative annually.</td><td>The Group engages in community-based programs, either independently or in collaboration with external organisations, and encourages employee volunteer initiatives and contributions to social causes.
<table>
<tr><th>Indicators</th><th>FYE 2025</th></tr>
<tr><td>Total amount invested in the community (RM)</td><td>2,200</td></tr>
<tr><td>Total number of beneficiaries</td><td>3</td></tr>
</table></td><td>Verified</td></tr>
</table>

SUSTAINABILITY STATEMENT (CONT'D)

The Scope, Subject Matter(s) covered, and Conclusion (where applicable) are provided below (Cont'd):

<table>
<tr><th>Type of Assurance</th><th>Material Matters</th><th>Subject Matter</th><th>Target</th><th>Progress / Performance</th><th>Conclusion</th></tr>
<tr><td rowspan="2">Independent Assurance</td><td>Social</td><td>Community Engagement (Cont'd)</td><td>Undertake at least one community engagement initiative annually. (Cont'd)</td><td>In FYE 2025, the Group resumed its community engagement initiatives by organising charitable visits to several welfare organisations, including Yi Xing Old Folks Home in Subang Jaya, Persatuan Kebajikan Kanak-kanak Mata Air Kehidupan Selangor in Batang Kali, and Pertubuhan Kebajikan USJ Subang Jaya, which supports elderly and OKU residents.

Through these initiatives, the Group contributed a total of RM2,200 to support the welfare and daily needs of the beneficiaries. These efforts reflect the Group's continued commitment to contributing positively to the community and fostering meaningful relationships with local stakeholders.</td><td>Verified</td></tr>
<tr><td>Social</td><td>Health & Safety</td><td>Maintain zero work-related fatalities, reduce the lost time incident rate year-on-year, and continue to enhance employees' awareness of health and safety through training programmes and safety briefings for FYE 2026.</td><td>The effectiveness of the Group's safety management efforts is reflected in the achievement of zero work-related fatalities and zero lost-time incidents throughout the reporting period.

The Group's commitment to workplace safety is reflected in the following key indicators:

No. of work-related fatalities:<table><tr><th>FYE</th><th>No. of Case</th></tr><tr><td>2023</td><td>0</td></tr><tr><td>2024</td><td>0</td></tr><tr><td>2025</td><td>0</td></tr></table>
Loss time incident rate:<table><tr><th>FYE</th><th>No. of Case</th></tr><tr><td>2023</td><td>0</td></tr><tr><td>2024</td><td>0</td></tr><tr><td>2025</td><td>0</td></tr></table></td><td>Verified</td></tr>
</table>

SUSTAINABILITY STATEMENT (CONT'D)

The Scope, Subject Matter(s) covered, and Conclusion (where applicable) are provided below (Cont'd):

<table>
<tr><th>Type of Assurance</th><th>Material Matters</th><th>Subject Matter</th><th>Target</th><th>Progress / Performance</th><th>Conclusion</th></tr>
<tr><td>Independent Assurance</td><td>Social</td><td>Health & Safety (Cont'd)</td><td>Maintain zero work-related fatalities, reduce the lost time incident rate year-on-year, and continue to enhance employees' awareness of health and safety through training programmes and safety briefings for FYE 2026. (Cont'd)</td><td>No of employees trained on health and safety standards:<table><tr><th>FYE</th><th>Employee</th></tr><tr><td>2023</td><td>0</td></tr><tr><td>2024</td><td>2</td></tr><tr><td>2025</td><td>21</td></tr></table>The number of employees trained on health and safety standards increased significantly in FYE 2025 compared to FYE 2024 as part of the Group's continued efforts to strengthen safety awareness among employees.</td><td>Verified</td></tr>
</table>

Conclusion:

In conclusion, based on the procedures performed and evidence gathered, we provide reasonable assurance that the data and disclosures related to environmental, social, and governance performance in the report are fairly stated and in accordance with the applicable reporting standards. While overall progress is aligned with stated objectives, there are opportunities for improvement in overall performance of materiality target.

* **Reporting Criteria**

(a) The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which CHB is solely responsible for selecting and applying. The Reporting Criteria used for the reporting of the Subject Matter Information.

(b) The Sustainability Statement has been prepared in accordance with Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements ("Listing Requirements"). Other reporting standards, frameworks and guidelines referenced include:
- Bursa Malaysia Sustainability Reporting Guide (3rd Edition) ("SRG")
- Global Reporting Initiative Standard
- United Nations Sustainability Development Goals ("UNSDGs")

Management's Responsibility

The management of CHB is responsible for the preparation of the Subject Matter Information included in CHB's Sustainability Statement FYE 2025 in accordance with the Reporting Criteria. This responsibility includes the selection and application of appropriate methods to prepare the Subject Matter Information reported in the CHB's Sustainability Statement FYE 2025 as well as the design, implementation, and maintenance of internal control relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error. Furthermore, the responsibility includes the use of assumptions and estimates for disclosures made by CHB's which are reasonable in the circumstances.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements ("ISAE") 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This standard requires that we plan and perform this engagement under consideration of materiality to express our conclusion with limited assurance about whether the Subject Matter Information is free from material misstatement.

The accuracy of the Subject Matter Information is subject to inherent limitations given their nature and methods for determining, calculating, and estimating such data. Our limited assurance report should therefore be read in conjunction with the Reporting Criteria.

A limited assurance engagement involves assessing the suitability in the circumstances of CHB's use of the Reporting Criteria as the basis for the preparation of the Subject Matter Information, assessing the risks of material misstatement of the Subject Matter Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Our Independence and Quality Control

We have maintained our independence and confirm that we have adhered to the requirements of the Institute of Internal Auditors' (IIA) Code of Ethics and the International Standards for the Professional Practice of Internal Auditing (Standards), which are part of the International Professional Practices Framework (IPPF). We confirm that we have the requisite competencies and experience to perform this internal audit engagement.

In alignment with the IIA Standards, we also apply the principles of the Quality Assurance and Improvement Program (QAIP) to ensure the effectiveness and quality of our internal audit services. As required by the IIA, we have established a system of quality control that includes policies and procedures designed to uphold independence, compliance with ethical requirements, professional standards, and applicable legal and regulatory obligations.

Description of Procedures Performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Description of Procedures Performed (cont'd)

Our procedures included:
- Gaining an understanding of CHB's business, internal processes and approach to sustainability
- Conducting limited assurance procedures over the selected Subject Matter and disclosures, including:
  - Undertaking analytical procedures to support the reasonableness of the data.
  - Checking that the calculation Criteria have been applied as per the methodologies for the Subject Matter within the Sustainability Statement.
  - Identifying and testing assumptions supporting calculations.
  - Testing, on a sample basis, underlying source information to check accuracy of the data.
  - Performing recalculations of performance indicators using input data.
  - Checking that measurements made at the end of the reporting period are timely entered in the records and the Sustainability Statement.
  - Obtaining appropriate representations from management, in the form of a management representation letter addressed to us to confirm that the management believes that it has fulfilled its responsibilities.

Restriction on Distribution and Use and Disclaimer of Liability to Third Parties and For Any Other Purpose

This report, including the conclusion, has been prepared solely for the Board of Directors of CHB in accordance with the agreement between us, in connection with the performance of an independent limited assurance engagement on the Subject Matter Information as reported by CHB in its Sustainability Statement FYE 2025 and should not be used or relied upon for any other purposes.

We consent to the inclusion of this report in the CHB's Sustainability Statement FYE 2025 to be disclosed on the website of CHB at https://www.compugates.com/EN/investor-relations/documents/annual-reports to assist the Directors in responding to their governance responsibilities by obtaining an independent limited assurance report on the Subject Matter Information in connection with the preparation of CHB's Sustainability Statement FYE 2025. As a result, we will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come. Any reliance on this report by any third party is entirely at its own risk.

Yours faithfully,

Quincy Gan Hoong Huat
Executive Director

SUSTAINABILITY STATEMENT (CONT'D)

COMPUGATES HOLDINGS BERHAD
BMLR Transition Period

Date & Time: 2026-04-27 18:26:29
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-corruption	Confirmed incidents of corruption and action taken	Number of incident	0	Zero confirmed incidents of corruption	External (Limited)
Community/Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	2,200	Undertake at least one community engagement initiative annually	External (Limited)
Community/Society	Total number of beneficiaries of the investment in communities	Number of beneficiaries	3	-	External (Limited)
Diversity	Percentage of employees by gender and age group for each employee category	Percentage	65.6% is male and 34.4% is female employees. 65.6% at the age from 20-50 & 34.4% at the age 51 and above	Maintain at least 30% participation of women in leadership roles at the management level for FYE 2026	External (Limited)
Diversity	Percentage of directors by gender and age group	Percentage	50% is male and 50% is female. 100% at the age 51 and above	-	External (Limited)
Health and safety	Number of work-related fatalities	Number	0	Maintain zero work-related fatalities	External (Limited)
Health and safety	Lost time incident rate (LTIR)	Rate	0	Maintain a zero lost time incident rate	External (Limited)
Health and safety	Number of employees trained on health and safety standards	Number	21	Enhance employees' awareness through training and briefings	External (Limited)
Labour practices and standards	Total hours of training by employee category	Hours	406	At least 2 hours of essential role-specific training	External (Limited)
Labour practices and standards	Percentage of employees that are contractors or temporary staff	Percentage	0	-	External (Limited)
Labour practices and standards	Total number of employee turnover by employee category	Number	2	Maintain an optimal retention rate by ensuring employee well-being initiatives	External (Limited)
Labour practices and standards	Number of substantiated complains concerning human rights violations	Number	0	Maintain zero substantiated complaints	External (Limited)

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COMPUGATES HOLDINGS BERHAD

BMLR Transition Period

Date & Time: 2026-04-2718:26:29

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Supply chain management	Proportion of spending on local suppliers	Percentage	100	At least 90% of procurement	External (Limited)
Data privacy and security	Number of substantiated complains concerning breaches of customer privacy and losses of customer data	Number	0	Zero complaint	External (Limited)
Emissions Management	Scope 1 greenhouse gas (GHG) emissions (fuel consumption)	tCO2e	57.64	Reduce greenhouse gas ("GHG") emissions for Scope 1 by 5% by for financial year ending 2026	External (Limited)
Emissions Management	Scope 2 greenhouse gas (GHG) emissions (electricity consumption)	tCO2e	63.86	Endeavour to reduce electricity consumption by 1% to 2% annually where operational feasible	External (Limited)
Water Management	Total volume of water used	M3	0.334	Maintain efficient water usage within the minimum consumption tier	External (Limited)

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Page 2 of 2

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

The Board of Directors ("**Board**") of Compugates Holdings Berhad ("**Compugates**" or "**the Company**") presents this Corporate Governance ("**CG**") Overview Statement ("**CG Statement**") to provide shareholders and investors with an overview of the CG practices of the Company under the leadership of the Board during the financial year ended 31 December 2025 ("**FYE 2025**"). This overview takes guidance from the key CG principles as set out in the Malaysian Code on Corporate Governance 2021 ("**MCCG**").

This CG Statement is prepared in compliance with Bursa Malaysia Securities Berhad (**"Bursa Securities**") Main Market Listing Requirements ("**MMLR**") and it is to be read together with the CG Report 2025 of the Company ("**CG Report**") which is available on the Company's website at www.compugates.com.

The CG Report provides the details on how the Company has applied the principles laid down in the MCCG during FYE 2025.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities

The Board is responsible for the long-term success of the Company and its subsidiaries (collectively referred to as the "**Group**") and the delivery of sustainable value to its shareholders and stakeholders, including setting its strategic directions, establishing goals for management and monitoring the achievement of these goals. The Board is also responsible for the overall corporate governance of the Group and all Board members are expected to show good stewardship and act in a professional manner as well as to uphold the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

The roles of the Chairman of the Board, the Executive Director, Independent Non-Executive Directors and Non-Independent Non-Executive Directors are separate and each has a clearly accepted division of responsibilities to ensure a balance of power and authority.

The Senior Management is primarily responsible to implement strategic directions set by the Board and to monitor the operations of the Group.

The Board's roles and responsibilities are as follows:

a. promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behavior;

b. reviewing and approving the overall strategies, policies and directions including sustainability of the Group's businesses;

c. overseeing and evaluating the conduct of the Group's businesses to ensure the businesses are properly managed and conform with ethical values, integrity, fairness, trust and high performance;

d. identifying the business risks and establish an appropriate system to reduce and minimise the risks that may affect the performance of the Group and the interest of the stakeholders;

e. ensuring the appropriate succession plan is in place including the appointment, training and fixing compensation of the Board, Executive Director and the Management of the Group;

f. developing and implementing an investor relations programme that creates better communication between the Group and shareholders as well as other stakeholders; and

g. reviewing the adequacy and the integrity of the Group's internal control systems and management information systems including system for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board also assumes various functions and responsibilities that are required by regulatory authorities as specified in the guidelines and directives issued from time to time.

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

2.0 Composition of the Board

The Board has six (6) members during FYE 2025:

a. One (1) Non-Independent Non-Executive Chairman;
b. One (1) Executive Director;
c. Two (2) Non-Independent Non-Executive Directors; and
d. Two (2) Independent Non-Executive Directors.

The Board is of the view that the current size of the Board is appropriate and the Board composition has the right mix of skills, experiences and strengths relevant to the Group's businesses to enable them to carry out their responsibilities in an effective and competent manner.

The Board delegates specific responsibilities to the following four (4) Board Committees in discharging its fiduciary duties:

a. The Nomination Committee ("**NC**");
b. The Audit Committee ("**AC**");
c. The Remuneration Committee ("**RC**"); and
d. The Risk Management Committee ("**RMC**").

The Board Committees are guided and operate within clearly defined Terms of Reference ("**TOR**"). All these Committees are mainly led by Independent Non-Executive Directors of the Board.

The written TOR of NC, AC and RC are made available on the Group's website at www.compugates.com.

2.1 Board Charter

The Board is guided by its Board Charter which provides reference in relation to the roles and responsibilities of the Board and Management. The Board Charter is subject to periodic review and will be updated as and when necessary to ensure it remains consistent with the Group's policies and procedures, the Board's overall responsibilities as well as changes to legislation and regulations.

The Board Charter is available on the Company's website at www.compugates.com.

2.2 Code of Ethics for Directors

The Group has in place a Code of Ethics for Directors and employees based on four (4) elements which are sincerity, integrity, corporate and fiduciary responsibilities. In discharging their duties, the Board has at all times observe the codes as defined in the Code of Ethics.

The Code of Ethics is available on the Company's website at www.compugates.com.

2.3 Whistleblowing Policy

The Board is committed to promote and maintain high standard of integrity, openness and accountability in the conduct of its businesses and operations. It aspires the Group to conduct its affairs in an ethical, responsible and transparent manner.

Compugates provides avenue for all employees and members of the public to disclose any improper conduct in accordance with the procedures as provided for under this policy and whistleblower is protected from reprisal. To this end, the Board has established a Whistleblowing Policy, available for viewing on the Company's website at www.compugates.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

2.4 Succession Plan

The Board, through the NC, ensures that there is an effective and orderly succession plan within the Group. The NC is responsible for formulating the nomination, selection and succession policies for the members of the Board, members of the Board Committees and the Group's key management personnel from time to time. In this regard, the NC will review and assess the profile, professional achievements, personality, experience, competency, skills and knowledge of each candidate for key management position to ensure the right candidate is appointed for the relevant position. The Company has a succession plan in place if the Company is facing with an untimely vacancy to facilitate the transition to both interim and longer term leadership.

The Succession Plan is available on the Company's website at www.compugates.com.

2.5 Anti-Bribery and Corruption Policy

The Group has adopted and implemented an Anti-Bribery and Anti-Corruption Policy ("**ABC Policy**") to prevent bribery and corruption in all aspects of its business operations. The Group maintains a strict zero-tolerance stance against all forms of bribery and corruption and is committed to conducting its business with integrity and transparency. As part of this commitment, an Anti-Bribery and Anti-Corruption training session was conducted for all employees in October 2024 to reinforce awareness and ensure continued compliance.

The ABC Policy is available on the Company's website at www.compugates.com.

2.6 Directors' Fit and Proper Policy

The Group has adopted the Directors' Fit and Proper Policy in line with the MMLR to ensure a formal, rigorous and transparent process for the appointment and re-election of Directors of the Group.

The Policy shall serve to guide the NC and the Board in their review and assessment of candidates for appointment as Directors as well as Directors who are seeking for re-election.

The Directors' Fit and Proper Policy is available on the Company's website at www.compugates.com.

2.7 Strategies Promoting Sustainability

The Board recognises the importance of sustainability and its increasing impact to the Group's businesses. The Board reviews the sustainability of the Company's strategic directions, with due consideration over the progress of the long-term and short-term plans, changes in business and political environment, levels of competition, updates in risk factors and any other factors which could affect the sustainability of the Group.

2.8 Access to Information and Advice

All Directors have unrestricted access to all information pertaining to the Group's businesses and affairs including inter alia, financial results, annual budgets, business reviews against business plans and progress reports on the Group's development and business strategies to ensure effective functioning of the Board.

Notice of meetings setting out the agendas and the relevant meeting papers are given to the Directors prior to the meetings to enable the Directors to peruse, obtain additional information and/or seek further clarification on the matters to be tabled at the meetings.

In furtherance of their duties, whenever independent professional advice is required by the Directors, external experts may be engaged at the Company's expense to provide additional insights and professional views, advice and explanations. The Directors also have direct access to the advice and the services of qualified and competent Company Secretaries of the Group.

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

2.9 Company Secretaries

The Company Secretaries are responsible for advising the Board on issues relating to compliance with laws, rules, procedures and regulations affecting the Group as well as the principles of best corporate governance practices.

The Company Secretaries are also advising the Board of their obligations and adherence to matters including disclosure of interest in securities, disclosure of any conflict of interest in a transaction involving the Company or its subsidiaries, requirements on dealing in securities and restrictions in relation to price-sensitive information.

During FYE 2025, the Company Secretaries have:

- attended all Board, Board Committees and general meetings and ensured that the proceedings of the meetings and decisions made thereof are accurately and sufficiently recorded and properly kept;
- advised the Board and Board Committees on the corporate disclosures and compliance with the Companies Act 2016, MMLR and Capital Markets and Services Act 2007;
- advised the Board on the amendments to MMLR and new circulars/directives/guidelines issued by Bursa Securities, Securities Commission Malaysia and Companies Commission of Malaysia respectively;
- ensured all statutory submissions to the relevant authorities were completed within the prescribed timeline; and
- monitored corporate governance developments and practices.

2.10 Nomination Committee

The NC comprises exclusively of three (3) Non-Executive Directors, a majority of whom are Independent Directors.

The main responsibilities of the NC are as follows:

- Nominate new nominees for appointment to the Board and Board Committees for the Board's consideration.

- Annually review the structure, size, balance and composition of the Board and Board Committees including the required mix of skills, experience, core competency and other qualities, which the Directors should bring to the Board and Board Committees.

- Annually review and assess the effectiveness of the Board and Board Committees and performance of the Directors of the Company, both individually and collectively.

- Annually review and assess the independence of the Independent Non-Executive Directors.

- Annually review the term of office and performance of the AC and each of its members to determine whether such AC and its members have carried out their duties in accordance with their terms of reference.

- Recommend suitable orientation/induction, educational and training programmes to the existing and new Directors.

- Make recommendation on the re-election of Directors to the Board for consideration and approval.

- Review and oversee the development of succession planning for the Board and Senior Management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

2.10 Nomination Committee (Cont'd)

During FYE 2025, the NC met twice and the activities undertaken by the NC are listed below:

- Assessed and evaluated the independence of the Independent Non-Executive Directors.
- Conducted an annual assessment and rating of the performance of each Director against diverse key performance indicators.
- Conducted an annual assessment and rating of the performance of the Executive and Non-Executive Director(s) against the criteria as set out in the evaluation forms.
- Conducted an annual assessment and rating of the performance of the Board and Board Committees against the criteria as set out in the evaluation form.
- Reviewed the structure, size, balance and composition of the Board.
- Reviewed and recommended to the Board the re-election of Madam See Thoo Chan and Mr. Goh Tai Wai, as Directors at the Twentieth Annual General Meeting ("**20th AGM**") held on 28 May 2025.
- The NC through the Company Secretaries informing the Directors on the seminars/workshops/conference/webinars with the relevant website links or brochures to facilitate their participation.

For the purpose of determining the eligibility of the Director to stand for re-election at the 20th AGM, the Board through its NC had assessed the retiring Director, and considered the following:

i. The Director's performance and contribution;
ii. The Director's skills, experience and strength in qualities;
iii. The Director's ability to act in the best interest of the Company in decision-making; and
iv. Their fitness and propriety with reference to the Directors' Fit and Proper Policy.

The meeting attendance records of the NC members during FY 2025 are as follows:

Name of NC Members	Attendance
Tan Siew Li (Chairman)	2/2
Goh Tai Wai	2/2
Low Geok Eng	2/2

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

2.11 Recruitment Process and Annual Assessment

The Board believes that an effective board composition requires a balanced mix of qualifications, skills, experience, and diversity. A well-composed Board is essential for sound governance and strategic guidance.

The NC plays a critical role in this regard by periodically reviewing and making recommendations to the Board on its composition. This includes the identification and selection of high-calibre candidates who are capable of meeting both the current and future needs of the Group.

During the FYE 2025, the NC was chaired by Madam Tan Siew Li, who serves as an Independent Non-Executive Chairman. Its members included Madam Low Geok Eng, Independent Non-Executive Director, and Mr. Goh Tai Wai, Non-Independent Non-Executive Director.

For the year under review, the Board is satisfied with its current composition, which reflects a robust mix of qualifications, skills, expertise, experience, and personal strengths necessary for the effective discharge of its responsibilities.

In fulfilling its responsibilities, the NC is also tasked with conducting an annual performance evaluation of individual Directors, Board Committees, and the Board as a whole. This evaluation serves as a key tool to assess the Board's overall effectiveness, identify strengths, and pinpoint any gaps or areas for improvement. The insights gained may inform decisions on retaining existing Board members or recruiting new ones.

The Board's annual evaluation process is conducted through a structured peer review, with clearly defined criteria, which include:

a. Attendance at Board and Board Committees meetings;
b. Contribution to the Company;
c. Personal input to the role and other contributions to the Board and Board Committees;
d. Understanding of fiduciary duties and business including risks, access to information, access to advice, compliance with applicable laws, rules and regulations, corporate governance and others;
e. Mix of skills and knowledge; and
f. Commitment of members.

Each Director is provided with assessment forms to complete ahead of the NC meeting. The results of the evaluations, along with any comments, are compiled and discussed during the NC meeting. Subsequently, the NC Chairman presents the findings to the Board for further deliberation. Based on this process, the Board makes the final decision on whether to recommend a Director for re-election or retain an Independent Non-Executive Director for continued service, to be tabled at the upcoming Annual General Meeting ("**AGM**").

In addition, a fit and proper assessment is conducted by the NC to evaluate a Director's probity, personal and financial integrity, reputation, commitment, experience, and overall competence prior to recommending their re-election to the Board.

While the Board has not set a formal gender diversity target, it remains committed to improving gender representation and promoting equality over time.

With its current composition, the Board is confident that it possesses the collective knowledge, experience, and diverse range of skills and competencies necessary to discharge its duties effectively and to support the Group's long-term success.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

2.12 Separation of positions of Chairman and Chief Executive Officer

To ensure a balance of authority, enhance accountability, and promote independent decision-making, the roles of the Chairman and the Chief Executive Officer ("**CEO**") are clearly defined and separated.

The Non-Independent Non-Executive Chairman is responsible for leading the Board and ensuring its effectiveness in all aspects of governance, conduct, and decision-making. He does not participate in the day-to-day operations of the Group.

The CEO, on the other hand, is responsible for leading the management team and overseeing the Group's daily operations and business activities. He is also tasked with executing the Board's policies and decisions, ensuring alignment with the Group's strategic objectives.

3.0 Remuneration

The Company has adopted a remuneration framework in attracting, retaining and motivating the Directors and Senior Management of the Company for the successful performance of the Group. The remuneration of the Executive Director and Senior Management consists of basic salary, other emoluments and benefits customary to the Group. Any salary and bonus review takes into account the performance of the individual and the financial performance of the Group.

The Non-Executive Directors' remuneration comprises annual fees based on their roles and responsibilities in the Board and Board Committees, their attendance at meetings and/or special skills and expertise they bring to the Board.

The RC met twice during FYE 2025 and the attendance records of the RC Members are as follows:

Name of RC Members	Attendance
Low Geok Eng (Chairman)	2/2
Mohamed Fauzi Bin Omar	2/2
Tan Siew Li	2/2

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

3.0 Remuneration (Cont'd)

The details of the remuneration of Directors of the Company for FYE 2025 are shown below:

Name	Directors' remuneration received from:										
	COMPANY					SUBSIDIARIES					GROUP
	Fees	Salary	Ex - Graxia	Others	Total	Fees	Salary	Bonus / Incentive	Others	Total	
	RM'000					RM'000					RM'000
Executive Directors:											
Madam See Thoo Chan	–	–	–	–	–	–	540	696	186	1,422	1,422
Total Executive Director's Remuneration	**–**	**–**	**–**	**–**	**–**	**–**	**540**	**696**	**186**	**1,422**	**1,422**
Non-Executive Directors:											
Tan Sri Datuk Asmat Bin Kamaludin	216	–	–	–	216	–	–	–	–	–	216
Mr Goh Tai Wai	57.5	–	–	–	57.5	–	–	–	–	–	57.5
Encik Mohamed Fauzi Bin Omar	57.5	–	–	–	57.5	–	–	–	–	–	57.5
Low Geok Eng	57.5	–	–	–	57.5	–	–	–	–	–	57.5
Tan Siew Li	57.5	–	–	–	57.5	–	–	–	–	–	57.5
Total Non-Executive Directors' Remuneration	**446**	**–**	**–**	**–**	**446**	**–**	**–**	**–**	**–**	**–**	**446**
Chief Executive Officer											
Goh Kheng Peow	–	–	–	–	–	700	3,554	7,018	1,674	12,946	12,946
Total Chief Executive Officer's Remuneration	**–**	**–**	**–**	**–**	**–**	**700**	**3,554**	**7,018**	**1,674**	**12,946**	**12,946**
Total Director Remunerations	**446**	**–**	**–**	**–**	**446**	**700**	**4,094**	**7,714**	**1,860**	**14,368**	**14,814**

Due to confidentiality, sensitivity and security concerns, the Board is of the view that the disclosure of Key Senior Management's (apart from the CEO) aggregated remuneration on unnamed basis in the bands of RM50,000 is adequate. The details of the remuneration are disclosed in Practice 8.1 of the CG Report.

3.1 Assessment of Independence Annually

The Board strives on the independency of the Non-Executive Directors who shall have the ability to exercise their duties and make decisions in the best interest of the shareholders, unfettered by any business or other relationships with the Executive Director, ownership and any other interest in the operations of the Company. The Board conducts annual reviews of the independence of each and every Director, their responsibilities in making immediate declarations over their interests and independency to the Board at any time during their tenure of service.

During FYE 2025, the Company has two (2) Independent Non-Executive Directors, who fulfill the criteria of "Independence" as prescribed under Paragraph 1.01 of MMLR of Bursa Securities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

3.2 Tenure of Independent Directors

Madam Low Geok Eng and Madam Tan Siew Li have served on the Board since 1 April 2023 as Independent Non-Executive Directors.

The NC is mindful of Practice 5.3 of the MCCG, which states that the tenure of an independent director should not exceed a cumulative term limit of nine (9) years. Upon reaching this limit, an independent director may continue to serve on the Board in a non-independent capacity. If the Board wishes to retain an independent director beyond the nine-year threshold, it must provide a strong justification and seek annual shareholders' approval through a two-tier voting process.

During the FYE 2025, the Board, through its NC, conducted an assessment of the independence of all Independent Non-Executive Directors. The Board is satisfied that each of them meets the independence criteria as defined under the MMLR of Bursa Malaysia Securities Berhad. They have demonstrated the ability to exercise objective and independent judgment in all deliberations, thus contributing effectively to the Board's decision-making processes.

In addition, the Board acknowledges the proposed amendments to the MMLR relating to the tenure of independent directors. Specifically, the amendment mandates that all long-serving independent directors who have served for more than twelve (12) years must resign or be re-designated as non-independent directors on or after 1 June 2023. The Board is committed to adhering to this requirement in ensuring continued good governance and alignment with regulatory expectations.

3.3 Commitment of the Board Members

During FYE 2025, the Board met five (5) times to deliberate and consider matters pertaining to, amongst others, the Group's financial performance, corporate development, business development, corporate governance, statutory compliance, strategic issues and business plan. The attendance records of the Directors at the Board of Directors' Meeting are as follows:

Name of Directors	No. of Meetings Attended	% of Attendance
Tan Sri Datuk Asmat Bin Kamaludin (Chairman)	5/5	100
Goh Tai Wai	5/5	100
Mohamed Fauzi Bin Omar	5/5	100
See Thoo Chan	5/5	100
Low Geok Eng	5/5	100
Tan Siew Li	5/5	100

The Board also deliberated and voted on the written resolutions circulated to the Board together with detailed explanation. Ample time was given to all Directors in order for them to make informed and constructive decisions.

The Board is satisfied that all Directors have been devoting sufficient time to discharge their responsibilities adequately.

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

3.4 Training

The Directors acknowledges that continuous education is vital for the Board members to gain insight into the state of the economy, technological advances, regulatory updates and management strategies to equip themselves with the necessary skills and knowledge to effectively discharge their duties.

During FYE 2025, all the Directors were periodically updated on new regulations and statutory requirements, particularly on the changes or amendments made to the MMLR, application and adoption of best practices as recommended under the MCCG, circulars/directives/guidelines/consultation papers issued by Bursa Securities, Securities Commission Malaysia and Companies Commission of Malaysia respectively. The Directors have attended the following training programs through seminars / workshops / conference / webinars as part of their continuing education to enhance their knowledge and to keep abreast with new developments in the furtherance of their duties:

- Malaysia E-Invoicing: A Comprehensive Guide with Post-Implementation Insights
- How to Conduct Training Needs Analysis
- 5'S Housekeeping Strategies
- Run & Gun: Network Penetration Testing
- Introduction to E-Invoicing Implementation in Malaysia
- Program Pencegahan Kebakaran
- Malaysia Business Reporting System (MBRS) 2.0 for Preparers: Financial Statements
- Stamp Duty Webinar 2.0 – Charting the Change: Adapting to Malaysia's Stamp Duty Self-Assessment Regine
- Team Building & Safety Health

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1.0 Audit Committee

The Board has established the AC to provide independent oversight of the Company's internal and external audit functions, financial reporting processes, risk management, and internal control systems. The AC is also responsible for reviewing the integrity of financial statements and ensuring the suitability, objectivity, and independence of the External Auditors.

For the FYE 2025, the AC comprised two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. Madam Low Geok Eng served as the Chairman of the AC.

The key activities undertaken by the AC during FYE 2025 are detailed in the Audit Committee Report section of this Annual Report.

2.0 Risk Management Committee

The RMC comprises three (3) members, all of whom are Non-Executive Directors, with a majority of them being independent. The purpose of the RMC is to assist the Board in the effective discharge of its primary responsibilities of identifying principal risks and implementing appropriate systems and risk assessment processes to manage such risks, in line with the MCCG and Bursa Securities MMLR.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

3.0 Risk Management and Internal Control Framework

The Board is committed to ensuring that the Group has a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets.

The Group has an ongoing framework for identifying, evaluating and managing key risks in the context of its business objectives. These processes are embedded within the Group's overall business operations and are guided by operational manuals, policies and procedures and are regularly reviewed by the Board.

The risk management framework and internal audit functions are disclosed under the Statement on Risk Management and Internal Control on pages 77 & 79 of this Annual Report.

4.0 Compliance with Applicable Financial Reporting Standards

The Board is accountable to ensure that the financial statements are prepared in accordance with the Companies Act 2016 and the applicable approved accounting standards in Malaysia so as to present a balanced and fair assessment of the Group's financial position and prospects. Quarterly financial results and annual financial statements are reviewed and deliberated upon by the AC to ensure the quality of financial reporting before presenting to the Board for its approval. The AC also reviews the appropriateness of the Company's accounting policies and the changes to these policies.

5.0 Assessment of Suitability, Objectivity and Independence of External Auditors

The AC undertakes an annual assessment of the suitability, objectivity and independence of the External Auditors. Upon assessment of their performance, the AC will recommend their decision on whether to retain their services to the Board after which shareholders' approval will be sought at the AGM.

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

1.0 Communication with Stakeholders

The Board values the importance of dissemination of information on major developments of the Group to its shareholders, potential investors and the general public in a timely and equitable manner.

Quarterly results, announcements, annual reports, audited financial statements, corporate updates and circulars serve as the primary means of dissemination of information so that shareholders are constantly kept abreast of the Group's progress and development.

The Group also encourages all shareholders and investors to access the Company's information and announcements online, which are made available at the Bursa Securities' website as well as on its corporate website at www.compugates.com. There are continuous efforts to ensure that the information on the website remains current, updated and relevant to investors.

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

2.0 Conduct of General Meetings

The general meetings are the principal forum for dialogue with shareholders. The Company values feedback from its shareholders and therefore, encourages shareholders to attend and participate in the general meetings to raise questions pertaining to the corporate developments in the Group, the resolutions being proposed and the business of the Group at the general meetings.

During the FYE 2025, the Company convened its AGM and EGM with sufficient notice served to shareholders, in accordance with the provisions of the Companies Act 2016 and/or the best practices outlined in the MCCG, as detailed below:

Date of Meeting	Type of Meeting	Notice Date	Notice Period
28 May 2025	20th AGM	25 April 2025	32 clear days
28 May 2025	EGM	9 May 2025	18 clear days

The above general meetings of the Company were conducted as fully physical meetings at designated venues. All resolutions set out in the notices of the meetings were put to vote by poll, and an independent scrutineer was appointed to validate the poll results. Directors, Chairpersons of Board Committees, Senior Management, Principal Advisers, and/or External Auditors who were present attended the meetings in person to respond to questions and address any queries raised by shareholders and proxies.

This CG Statement was approved by the Board on 21 April 2026.

AUDIT COMMITTEE REPORT

The Board of Directors ("**Board**") is pleased to present the Audit Committee ("**AC**") Report for the financial year ended 31 December 2025 ("**FYE 2025**").

1. COMPOSITION OF AUDIT COMMITTEE AND MEETINGS

The AC met five (5) times during FYE 2025.

The composition of the AC and details of the attendance of the members at the meetings during FYE 2025 are set out as follows:

Name	Attendance
Chairman Low Geok Eng (Independent Non-Executive Chairman)	5/5
Members Tan Siew Li (Independent Non-Executive Director)	5/5
Goh Tai Wai (Non-Independent Non-Executive Director)	5/5

The External Auditors attended three (3) AC meetings in 2025 to present their reports and findings in relation to the audited financial statements for the financial year ended 31 December 2024 ("**FYE 2024**") and FYE 2025 respectively.

The AC also deliberated and voted on the written resolutions circulated to the AC together with detailed explanation. Ample time was given to all AC members in order for them to make informed and constructive decisions.

The AC Meetings are pre-scheduled and are timed just before the Board of Directors' Meetings. The agenda carries matters that need to be deliberated, reviewed or decided on and further reported to the Board. Notices and meeting papers are circulated to all members in due course before each meeting with sufficient preparation time given for deliberation on matters arising.

The Company Secretaries are the secretaries of the AC and are responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the AC members prior to each meeting. The Company Secretaries are also responsible for keeping the minutes of meetings and circulating them to the AC members for comment and confirmation. The signed minutes of meeting are also circulated to the Board for notation.

2. SUMMARY OF ACTIVITIES

The AC carried out the following activities during the FYE 2025:

2.1 Financial Reporting

a. Reviewed the unaudited quarterly results of the Company and its subsidiaries (collectively referred as "**Group**") before recommending the same to the Board for approval.

b. Reviewed the annual audited financial statements of the Group for FYE 2025 with the External Auditors prior to submission to the Board for approval.

The AC reviewed and scrutinised the information of the Group's quarterly results and annual audited financial statements to ensure accuracy, adequacy, validity, timeliness and compliance with applicable financial reporting standards for disclosure to shareholders.

2.2 External Audit

a. Reviewed the audit planning memorandum of the Group for FYE 2025 with the External Auditors.

b. Reviewed the results of the annual audit and audit report, including all the key audit matters raised by the External Auditors.

c. Met once with the External Auditors without the presence of the Executive Director, Chief Executive Officer and Management to discuss any issues of concern with the External Auditors arising from the annual statutory audit.

d. Assessed the suitability, objectivity, independence and performance of the External Auditors and made recommendation to the Board on their re-appointment and remuneration, subject to the approval of the Company's shareholders at an annual general meeting.

2.3 Internal Audit

a. Reviewed with the outsourced Internal Auditors, the internal audit report, the audit recommendations made and the Management's response and actions to these recommendations.

b. Reviewed with the Internal Auditors, the internal audit plan to ensure the adequacy of the scope, functions and resources to carry out their work.

c. Assessed the suitability, objectivity, independence and performance of the outsourced Internal Auditors.

2.4 Related Party Transactions

Reviewed the related party transactions entered into by the Group, if any.

2.5 Conflict of Interest

Reviewed the conflict of interest report presented by Internal Auditors and noted that there were no conflict of interest situations found or reported in the Group during the financial year.

AUDIT COMMITTEE REPORT (CONT'D)

2. SUMMARY OF ACTIVITIES (CONT'D)

The AC carried out the following activities during the FYE 2025: (cont'd) :

2.6 Annual Reporting

a. Reviewed the Corporate Governance Overview Statement, AC Report, Additional Compliance Information, Statement on Risk Management and Internal Control and subsequently recommended the same to the Board for its consideration and approval for inclusion in the Annual Report for FYE 2024.

b. Reviewed the Corporate Governance Report for FYE 2024 and recommended the same to the Board for approval.

3. INTERNAL AUDIT FUNCTION

The Group's internal audit function, which is outsourced to a professional services firm, is an integral part of the assurance mechanism in ensuring that the Group systems of internal control are adequate and effective. The outsourced Internal Auditors report directly to the AC.

The activities of the internal audit function for FYE 2025 include:

a. Conducting internal audit reviews on Conflict of Interest ("**COI**") in accordance with the internal audit plan approved by the AC;
b. Reporting the results of internal audits and making recommendations for improvements to the AC on a periodic basis; and
c. Following-up on the implementation of audit recommendations and agreed upon Management action plans.

All internal audit reports are deliberated by the AC and reporting are made to the Board at the Board of Directors' Meetings. No significant irregularity or deficiency in internal control mechanism was brought to the attention of the AC by the outsourced Internal Auditors during FYE 2025.

The AC had evaluated the performance of the Internal Auditors for FYE 2025 based on such evaluation criteria as set out in its annual assessment form. The AC was satisfied that the Internal Auditors have sufficient experience and resources to adequately deliver the quality services to the Group.

The cost incurred for the outsourced internal audit function of the Group for FYE 2025 amounted to RM6,500.00.

Further details of the internal audit function are set out in the Statement on Risk Management and Internal Control on page 79 of the Annual Report 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

INTRODUCTION

The Board of Directors ("**Board**") of Compugates Holdings Berhad ("**Compugates**" or "**the Company**") is pleased to present its Statement on Risk Management and Internal Control ("**Statement**") which outlines the state of the system of risk management and internal control of the Company and its subsidiaries (collectively referred to as "**Group**") for the financial year ended 31 December 2025 ("**FYE 2025**"). This Statement is made in accordance with paragraph 15.26(b) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and is guided by Bursa Securities' Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (2025).

BOARD'S RESPONSIBILITIES

The Board affirms its overall responsibility for maintaining a sound system of risk management and internal control to safeguard shareholders' investments, protect the Group's assets, and support the achievement of strategic and operational objectives. The Board recognises that risk management and internal control are integral components of good corporate governance. Accordingly, the Board:

- Establishes the Group's risk appetite and tolerance levels;
- Oversees the design, implementation and effectiveness of the risk management framework;
- Reviews the adequacy and integrity of internal control systems; and
- Ensures appropriate assurance mechanisms are in place.

The Board has received assurance from the Chief Executive Officer ("**CEO**") and the Head of Finance that the Group's risk management and internal control systems are operating adequately and effectively, in all material respects, based on the framework adopted by the Group. While the system of risk management and internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives, it can provide reasonable but not absolute assurance against material misstatement, fraud, or loss.

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Key elements of the Group's risk management and internal control system that have been established to facilitate the proper conduct of the Group's businesses are described below:

1. <u>RISK MANAGEMENT FRAMEWORK</u>

The Board confirms that an ongoing process for identifying, evaluating, managing, and monitoring significant risks is embedded within the Group's operations. This process is reviewed periodically to ensure its continued relevance and effectiveness.

The Group's risk management framework includes:

- **Risk Identification** – Functional leaders, as part of the strategic planning process and daily business management, identify internal and external events that may impact the achievement of organizational objectives.

- **Risk Analysis** – Assess the likelihood and impact of identified risks.

- **Risk Action & Response** – Develop and implement strategies to mitigate or manage risks.

- **Risk Monitoring** – Track risk factors and the effectiveness of risk controls.

- **Risk Control** – Adjust and enforce measures to reduce or eliminate risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

1. RISK MANAGEMENT FRAMEWORK (CONT'D)

Governance Structure – Three Lines of Defence
The Group adopts a structured governance approach consistent with the Three Lines of Defence model:

First Line – Management
Operational Management and Heads of Divisions are responsible for identifying, assessing, and managing risks within their respective functions.

Second Line – Oversight Functions
Senior Management provides oversight, monitors risk exposures, and ensures policies and procedures are implemented consistently across the Group.

Third Line – Internal Audit
The outsourced internal audit function provides independent assurance on the adequacy and effectiveness of governance, risk management, and internal controls.

2. INTERNAL CONTROL SYSTEM

- Organisation Structure & Authorisation Procedures

  A clearly defined organisational structure is in place, with formal reporting lines, delegated authorities, and documented approval limits. This structure supports accountability, segregation of duties, and effective decision-making.

- Budgetary Control

  An annual budget is prepared by Management and approved by the Board. Performance is monitored against budget on a periodic basis. Significant variances are analysed and appropriate corrective actions are implemented.

- Group Policies and Procedures

  Documented policies and standard operating procedures govern key operational, financial, and compliance areas. These policies are reviewed periodically to ensure relevance and alignment with regulatory and business requirements.

- Human Resource Management

  Comprehensive guidelines on employment of employees are in place to ensure that the Group has a team of employees who are well trained and equipped with all the necessary knowledge, skills and abilities to carry out their responsibilities effectively. Continuous training initiatives are undertaken to enhance competency and reinforce ethical standards.

- Information and Communication

  Effective reporting mechanisms are in place to ensure timely dissemination of relevant information to Senior Management, the AC, and the Board. Monthly management accounts and operational reports support informed decision-making. Quarterly financial results are reviewed by the AC and subsequently approved by the Board prior to public release.

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

2. INTERNAL CONTROL SYSTEM (CONT'D)

- Monitoring and Review

  Regular operational and management meetings are conducted to review financial performance, operational matters, and key risk exposures. The Board and AC receive periodic updates on risk matters, internal audit findings, and control improvements to ensure continuous oversight.

- Safety and Health Management

  The Group is committed to maintaining a safe, healthy, and secure work environment across all operations, including warehouse, delivery, and gaharu plantation activities. Key initiatives include:

  - **Clear Responsibilities** – Management ensures workplace safety, provides training, and enforces compliance, while employees are responsible for following safety guidelines, using PPE, and reporting hazards.

  - **Workplace Safety & Health Measures** – Implementing risk controls such as proper handling of goods, vehicle safety checks, and the use of protective equipment, while also promoting workplace hygiene, hydration, and fatigue management.

  - **Emergency Preparedness** – Fire safety awareness briefings, first aid readiness, and established procedures for handling workplace injuries and health-related incidents.

  - **Ongoing Training & Compliance** – Providing structured safety and health training, conducting workplace inspections, and ensuring compliance with occupational health regulations.

  The Group also recognises emerging risks including cybersecurity, sustainability-related risks, supply chain disruptions, and business continuity challenges. Appropriate monitoring and preventive measures are progressively strengthened to enhance operational resilience.

3. INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional services firm to assist the AC and Board in providing an independent assessment of the adequacy, efficiency, and effectiveness of the Group's internal control system.

The internal audit firm prepares audit plans for presentation to the AC for approval, with the scope covering management and operational audits of various functions within the Group.

During FYE 2025, one internal audit review was conducted on Conflict of Interest. The audit findings indicated that the Group was in compliance with the established policies and procedures, and no material issues were identified. The results of the audit were presented directly to the Audit Committee (AC) for deliberation, and the recommendations, where applicable, were duly noted and adopted by Management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the MMLR of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the FYE 2025 in accordance with Audit and Assurance Practice Guide 3 ("**AAPG 3**") issued by the Malaysian Institute of Accountants.

Based on their review, nothing has come to their attention that causes them to believe that this Statement, in all material respects, has not been prepared in accordance with the disclosures required by Section 7 of the SORMIC Guide 2025, nor is the Statement factually inaccurate.

The principles of AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and the Management. The report from the external auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the Main Market Listing Requirements of Bursa Securities and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this report.

CONCLUSION

The Board is of the opinion that the Group's risk management and internal control system for FYE 2025 remains adequate in safeguarding shareholders' investments and the Group's assets. Nonetheless, the Board acknowledges that internal control and risk management practices must continuously adapt to the evolving and complex business environment. Accordingly, the Board remains committed to strengthening governance practices and enhancing the Group's risk management framework to support sustainable growth.

This Statement was approved by the Board of Directors on 21 April 2026.

DIRECTORS' RESPONSIBILITY STATEMENT
FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("**Act**") to prepare the financial statements for each financial year in accordance with the applicable approved accounting standards and the requirements of the Act, 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 the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements for the financial year ended 31 December 2025, the Directors ensured that the Management has:

a. adopted appropriate accounting policies and applied them consistently;
b. made judgments and estimates that are reasonable and prudent; and
c. prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors have overall responsibility for taking steps that are reasonably open to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

COMPUGATES®

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company consists of investment holding. The principal activities of its subsidiaries are disclosed in Note 8 to the Financial Statements.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year.

RESULTS

	Group RM'000	Company RM'000
Net loss for the financial year	23,278	8,449
Loss attributable to:-		
Owners of the Company	21,322	
Non-controlling interests	1,956	
	23,278	

DIVIDENDS

No dividend was proposed, declared or paid by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

All material transfers to and from reserves and provisions during the financial year have been disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps 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 satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off.

At the date of this report, the Directors are not aware of any circumstances which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

DIRECTORS' REPORT (CONT'D)

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps 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 had been written down to an amount which they might be expected to be realised.

At the date of this report, the Directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

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

(ii) any contingent liabilities in respect of the Group and of the Company which have arisen since the end of the financial year.

In the opinion of the Directors, no contingent liabilities or other liabilities of the Group and of the Company have become enforceable, or are likely to become enforceable within the period of twelve months after the end of the financial year which will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

In the opinion of the Directors, the financial performance of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature. 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.

ISSUE OF SHARES AND DEBENTURES

There were no any new shares or debentures issued by the Company during the financial year.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company's ESOS is governed by the By-Laws which were approved by the shareholders at an Extraordinary General Meeting held on 28 May 2025. The ESOS shall be in force for a period of two (2) years commencing from 3 June 2025 and will expire on 3 June 2027.

The movement of the share options during the financial year is as follows:-

Date of offer	Exercise price RM	← Number of share options over ordinary shares → Balance at 1.1.2025 Unit	Granted Unit	Exercised Unit	Forfeited Unit	Balance at 31.12.2025 Unit
3 June 2025	0.0135	–	907,561,162	–	–	907,561,162

The salient features of the ESOS are disclosed in Note 17 to the Financial Statements.

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

DIRECTORS

The Directors who held office during the financial year and up to the date of this report are:-

Tan Sri Datuk Asmat Bin Kamaludin
See Thoo Chan
Mohamed Fauzi Bin Omar
Goh Tai Wai
Low Geok Eng
Tan Siew Li

The name of the Directors of the subsidiaries in office during the financial year and up to the date of this report are as follows:-

Datin Sabariah Binti Dahlan
Goh Kheng Peow
See Thoo Chan

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of the Directors who held office at the end of the financial year in the shares of the Company and its related corporations during the financial year ended 31 December 2025 are as follows:-

	Number of ordinary shares At 1.1.2025	Bought	Sold	At 31.12.2025
Direct interests				
See Thoo Chan	341,727,240	336,265,400	–	677,992,640
Low Geok Eng	2,000,000	–	–	2,000,000
Tan Siew Li	138,000,000	–	(40,000,000)	98,000,000
Deemed interests				
See Thoo Chan*	359,289,013	–	–	359,289,013
Low Geok Eng*	3,250,000	–	–	3,250,000

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

According to the Register of Directors' Shareholdings, the interests of the Directors who held office at the end of the financial year in the shares of the Company and its related corporations during the financial year ended 31 December 2025 are as follows (cont'd):

	Number of options over ordinary shares			
	At 1.1.2025	**Granted**	**Exercised**	**At 31.12.2025**
Direct interests				
Tan Sri Datuk Asmat Bin Kamaludin	–	81,000,000	–	81,000,000
See Thoo Chan	–	168,000,000	–	168,000,000
Mohamed Fauzi Bin Omar	–	35,000,000	–	35,000,000
Goh Tai Wai	–	35,000,000	–	35,000,000
Low Geok Eng	–	25,000,000	–	25,000,000
Tan Siew Li	–	25,000,000	–	25,000,000
Deemed interests				
See Thoo Chan*	–	133,000,000	–	133,000,000

* Deemed interests through spouse's shareholdings by virtue of Section 221(9) of the Companies Act 2016 in Malaysia

By virtue of her interests (direct and deemed) in the Company, See Thoo Chan is also deemed interested in the shares of all the subsidiaries to the extent that the Company has an interest under Section 8 of the Companies Act 2016 in Malaysia.

Other than as stated above, the other Directors in office at the end of the financial year did not have any interest in the shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

During the financial year, the fees and other benefits received and receivable by the Directors of the Company are as follows:-

	Incurred by the Company RM'000	**Incurred by the Group RM'000**
Directors' fees	446	446
Directors' salaries and other emoluments	–	1,236
Directors' defined contribution plan	–	186
	446	1,868

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company or a related corporation to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than those disclosed above and Note 25 to the Financial Statements) 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 of which the Director has a substantial financial interest.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There was no indemnity given to or insurance effected for the Directors and Officers of the Company during the financial year.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING DATE

Compugates Development and Mining Sdn. Bhd. ("CDMSB") had on 18 August 2015 entered into a Joint Venture Agreement ("JVA") with a third party, as the developer, for the joint development of a parcel of leasehold land owned by CDMSB located at Sepang, Selangor Darul Ehsan, measuring approximately 154,990 square metres ("JV Land") into a mixed development project. On 13 December 2017, CDMSB received a letter from Lembaga Lebuhraya Malaysia informing that based on the land acquisition plan, partial of the land with 0.9892 hectares or 2.44 acres ("Land") is affected by the construction of Lebuhraya Kuala Lumpur – Putrajaya – KLIA (MEX 2). Subsequently, on 15 October 2018, CDMSB received a compensation offer of RM9,397,400 ("Compensation Sum") for the compulsory acquisition of 0.9892 hectares of the Land which was part of the JV Land and a further sum of RM750,014 for incidental costs payable to CDMSB, which CDMSB accepted with objection. The Compensation Sum was paid to the Shah Alam High Court ("High Court") by the land administrator as there was a caveat lodged on the JV Land by a third party pursuant to the JVA. This led to multiple legal proceedings between CDMSB and the third party at the Federal Court, High Court and Court of Appeal from year 2018 to year 2025.

On 3 January 2024, the High Court had ordered compensation sum amounting RM9,397,400 to be released to CDMSB. Subsequently, on 2 August 2024, the Court has released the compensation amounting RM5,317,123 to the third party and RM4,310,099 to CDMSB.

On 25 February 2025, the full trial completed where the Court had assessed the damages suffered by CDMSB during the period of 14 December 2022 to 4 September 2023 to be RM750,584. This amount was paid by the third party on 25 April 2025.

On 25 March 2025, the third party filed an appeal with the Court of Appeal. CDMSB also filed a partial appeal in respect of certain items of damages suffered by CDMSB that were disallowed. The appeals are scheduled for a full hearing on 22 June 2026.

The Directors are of the opinion that no adjustment to be made in the financial statements in respect of this application since the case is yet to complete as at the reporting date.

DIRECTORS' REPORT
(CONT'D)

AUDITORS

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

The amount of audit and other fees paid or payable to the Auditors and its member firms by the Group and the Company for the financial year ended 31 December 2025 amounted to RM182,000 and RM66,000 respectively. Further details are disclosed in Note 23 to the Financial Statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provision of Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

Signed on behalf of the Directors in accordance with a resolution of the Board of Directors.

....	)	
TAN SRI DATUK ASMAT BIN KAMALUDIN	)	
	)	
	)	
	)	DIRECTORS
	)	
	)	
	)	
	)	
....	)	
SEE THOO CHAN		

Kuala Lumpur
21 April 2026

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 94 to 132 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Directors in accordance with a resolution of the Board of Directors.

....
TAN SRI DATUK ASMAT BIN KAMALUDIN

....
SEE THOO CHAN

Kuala Lumpur
21 April 2026

STATUTORY DECLARATION

I, Yau Pow Jack, being the Officer primarily responsible for the financial management of Compugates Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 94 to 132 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory on)
21 April 2026)

....
YAU POW JACK
(MIA NO: 42038)
CHARTERED ACCOUNTANT

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF COMPUGATES HOLDINGS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Compugates Holdings Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, statements of profit or loss and other 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 94 to 132.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting 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' Code of Ethics for Professional Accountants (including International Independence Standard ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

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

Group

Valuation of inventories-land held for property development

Inventories-land held for property development ("land") is measured at the lower of cost and net realisable value ("NRV"). The Group estimates the NRV of the land based on an assessment of the Group's entitlement as the landowner from future development activities that will be carried out on the land ("landowner's entitlement") and/or valuation based on the latest available valuation reports. We identified the valuation of the inventories as a key audit matter because of the significant judgement and estimates involved in the determination of the NRV of the inventories. The Group's disclosures regarding inventories which include the land are in Note 6 to the Financial Statements.

Our response

We have performed various procedures to ascertain that the land is stated at the lower of cost and NRV. Amongst other procedures, we have obtained an understanding and reviewed management's assessment of the landowner's entitlement. We have also assessed the status of the development of the land by interviewing various management personnel and by obtaining relevant correspondences related to the development of the land. In addition, we have also obtained valuation reports prepared by independent professional valuers and compared the value in the reports against the book value of the land by assessed the reasonableness of the valuation with reference to comparable peer.

INDEPENDENT AUDITORS' REPORT (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Company

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

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 the 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 so as to give a true and fair view in accordance with Malaysian Financial Reporting 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 of the Company's internal control.

INDEPENDENT AUDITORS' REPORT (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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

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

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

- 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.

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

- 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, related safeguards.

From the matters communicated with the Directors, we determine those matter that was of most significance in the audit of the financial statements of the Group and of the Company for the current year and is therefore the key audit matter. We describe this matter 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.

Other Matter

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

GRANT THORNTON MALAYSIA PLT	TAN VEER LEEN
(201906003682 & LLP0022494-LCA)	(NO: 03627/12/2027 J)
CHARTERED ACCOUNTANTS (AF 0737)	CHARTERED ACCOUNTANT

Kuala Lumpur
21 April 2026

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	16,285	16,478	1	1
Inventories	6	93,629	93,629	–	–
Plantation expenditure	7	2,656	2,528	–	–
Investment in subsidiaries	8	–	–	6,606	6,606
Amount due from subsidiaries	9	–	–	984	919
Total non-current assets		112,570	112,635	7,591	7,526
Current assets					
Inventories	6	41,423	51,179	–	–
Contract assets	10	802	–	–	–
Trade receivables	11	1,125	930	–	–
Other receivables	12	154	222	16	14
Tax recoverable		1	3	1	2
Fixed deposits with licensed banks	13	8,955	5,900	–	–
Cash and bank balances		984	753	5	1
Total current assets		53,444	58,987	22	17
Total assets		166,014	171,622	7,613	7,543
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company:					
Share capital	14	96,245	96,245	96,245	96,245
Revaluation reserve	15	32,493	32,671	–	–
Other reserve	16	6,976	(2,100)	9,076	–
Accumulated losses		(42,739)	(21,595)	(98,418)	(89,969)
		92,975	105,221	6,903	6,276
Non-controlling interests	8	31,661	33,617	–	–
Total equity		124,636	138,838	6,903	6,276

STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
EQUITY AND LIABILITIES (CONT'D)					
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	18	13,784	13,835	–	–
Other payables	19	1,474	1,381	120	190
Total non-current liabilities		15,258	15,216	120	190
Current liabilities					
Trade payables	20	507	748	–	–
Other payables	19	25,532	16,820	590	1,077
Tax payable		81	–	–	–
Total current liabilities		26,120	17,568	590	1,077
Total liabilities		41,378	32,784	710	1,267
Total equity and liabilities		166,014	171,622	7,613	7,543

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	21	38,883	21,869	–	–
Cost of sales		(31,417)	(21,454)	–	–
Gross profit		7,466	415	–	–
Other income		1	1,391	–	–
Administrative expenses		(29,703)	(11,659)	(9,922)	(1,253)
Sales and marketing expenses		(172)	(163)	–	–
Impairment loss on financial assets		–	(18)	(11)	(3,783)
Reversal of impairment loss on financial assets		–	–	1,488	–
Other expenses		(356)	(323)	–	–
Finance income		115	107	99	131
Finance costs	22	(99)	(273)	(103)	(127)
Loss before tax	23	(22,748)	(10,523)	(8,449)	(5,032)
Tax (expense)/income	24	(530)	36	–	–
Net loss for the financial year/total comprehensive loss for the financial year		(23,278)	(10,487)	(8,449)	(5,032)
Net loss attributable to:-					
- Owners of the Company		(21,322)	(10,176)		
- Non-controlling interests		(1,956)	(311)		
		(23,278)	(10,487)		
Total comprehensive loss attributable to:-					
- Owners of the Company		(21,322)	(10,176)		
- Non-controlling interests		(1,956)	(311)		
		(23,278)	(10,487)		
Loss per share (sen)					
Basic/diluted loss per share (sen)	26	(0.35)	(0.18)		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Company							
	Non-distributable				Distributable			
	Share capital RM'000	Revaluation reserve RM'000	Other reserve RM'000	ESOS reserve RM'000	(Accumulated losses)/ Retained earnings RM'000	Total equity RM'000	Non-controlling interests RM'000	Total RM'000
Group								
At 1 January 2024	91,295	32,849	(2,100)	–	(6,233)	115,811	28,564	144,375
Transaction with owners:								
Issuance of new shares	4,950	–	–	–	–	4,950	–	4,950
Total comprehensive loss for the financial year	–	–	–	–	(10,176)	(10,176)	(311)	(10,487)
Changes in ownership interests in a subsidiary	–	–	–	–	(5,364)	(5,364)	5,364	–
Crystallisation of revaluation surplus	–	(178)	–	–	178	–	–	–
At 31 December 2024	96,245	32,671	(2,100)	–	(21,595)	105,221	33,617	138,838
Transaction with owners:								
Share-based compensation pursuant to ESOS granted	–	–	–	9,076	–	9,076	–	9,076
Total comprehensive loss for the financial year	–	–	–	–	(21,322)	(21,322)	(1,956)	(23,278)
Crystallisation of revaluation surplus	–	(178)	–	–	178	–	–	–
At 31 December 2025	96,245	32,493	(2,100)	9,076	(42,739)	92,975	31,661	124,636

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Share capital RM'000	ESOS reserve RM'000	Accumulated losses RM'000	Total RM'000
Company				
At 1 January 2024	91,295	–	(84,937)	6,358
Transaction with owners:				
Issuance of new shares	4,950	–	–	4,950
Total comprehensive loss for the financial year	–	–	(5,032)	(5,032)
At 31 December 2024	96,245	–	(89,969)	6,276
Transaction with owners:				
Share-based compensation pursuant to ESOS granted	–	9,076	–	9,076
Total comprehensive loss for the financial year	–	–	(8,449)	(8,449)
At 31 December 2025	96,245	9,076	(98,418)	6,903

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
OPERATING ACTIVITIES					
Loss before tax		(22,748)	(10,523)	(8,449)	(5,032)
Adjustments for:-					
Depreciation of property, plant and equipment		356	323	–	–
Impairment loss on amount due from subsidiaries		–	–	11	3,783
Reversal of impairment loss on amount due from subsidiaries		–	–	(1,488)	–
Movements of provision for inventories written down		–	(186)	–	–
Equity-settled share-based payment transactions		9,076	–	9,076	–
Impairment loss on trade receivables		–	18	–	–
Finance costs		99	273	99	127
Finance income		(115)	(107)	(99)	(127)
Recognition/(reversal) of unwinding discount on financial asset		–	–	4	(4)
Operating (loss)/profit before working capital changes		(13,332)	(10,202)	(846)	(1,253)
Changes in working capital:-					
Inventories		9,756	(193)	–	–
Contract assets		(802)	–	–	–
Receivables		(127)	9,216	(2)	2
Payables		8,564	(2,180)	(557)	152
Cash from/(used in) operations		4,059	(3,359)	(1,405)	(1,099)
Finance costs paid		(99)	(273)	(99)	(127)
Tax paid		(500)	(16)	–	(1)
Tax refunded		2	2	1	–
Net cash from/(used in) operating activities		3,462	(3,646)	(1,503)	(1,227)
INVESTING ACTIVITIES					
Repayment from/(advances to) subsidiaries		–	–	1,408	(3,851)
Finance income received		115	107	99	127
Purchase of property, plant and equipment		(163)	(4)	–	–
Plantation expenditure paid		(128)	(117)	–	–
Net cash (used in)/from investing activities		(176)	(14)	1,507	(3,724)

STATEMENTS OF CASH FLOWS (CONT'D)

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
FINANCING ACTIVITY					
Proceeds from issuance of new shares		–	4,950	–	4,950
Net cash from financing activity		–	4,950	–	4,950
CASH AND CASH EQUIVALENTS					
Net changes in cash and cash equivalents		3,286	1,290	4	(1)
At beginning of financial year		6,653	5,363	1	2
At end of financial year	A	9,939	6,653	5	1

NOTE TO THE STATEMENTS OF CASH FLOWS

A CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Group's and the Company's statements of cash flows comprise the following:-

	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Fixed deposits with licensed banks	8,955	5,900	–	–
Cash and bank balances	984	753	5	1
	9,939	6,653	5	1

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur. The principal place of business of the Company is located at No. 3, Jalan PJU 1/41, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of the Company consists of investment holding. The principal activities of its subsidiaries are disclosed in Note 8 to the Financial Statements. There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 21 April 2026.

2. GOING CONCERN

The financial statements of the Group and of the Company have been prepared on the assumption that the Group and the Company will continue as a going concern which contemplates the continuity of normal business activity and the realisation of assets and discharge their liabilities in the normal course of business.

During the financial year, the Group and the Company incurred a net loss of RM23,277,562 and RM8,448,548 respectively and the Company is having a negative operating cash flow of RM1,502,366 and the Company's total current liabilities exceeded its total current assets by RM567,742 which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

The ability of the Group and the Company to continue as going concerns is dependent on the successful execution of their ongoing and planned joint property development projects, which are expected to generate sufficient cash flows to meet their obligations as and when they fall due for at least the next twelve months from the reporting date.

In assessing the appropriateness of the going concern basis, the Directors have considered the Group's and the Company's cash flow projections and are of the opinion that the Group and the Company will have adequate resources to continue in operational existence for the foreseeable future.

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of the Group and of the Company on a going concern basis and accordingly the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to the amounts and classification of the liabilities that may be necessary should the Group and the Company be unable to continue as a going concern.

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

3.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention except for certain land and buildings that are measured at fair value at the end of each reporting year as disclosed in the summary of material accounting policies.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

3. BASIS OF PREPARATION (CONT'D)

3.2 Basis of measurement (Cont'd)

Fair value is 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

(a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
(b) Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable
(c) Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting year.

The Group and the Company have established control framework in respect to the measurement of fair values of financial instruments. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board of Directors. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

3.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency and all values are rounded to the nearest thousand (RM'000), except when otherwise stated.

3.4 Adoption of new standards/amendments/improvements to MFRSs

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the current financial year beginning on or after 1 January 2025.

Initial application of the amendments to the standards did not have material impact to the financial statements of the Group and the Company.

3. BASIS OF PREPARATION (CONT'D)

3.5 Standards issued but not yet effective

The Group and the Company have not applied the following MFRS and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company:-

Amendments to MFRSs effective 1 January 2026:-

Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments and Contracts Referencing Nature-dependent Electricity
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Amendments that are part of Annual Improvements – Volume 11

MFRS and Amendments to MFRSs effective 1 January 2027:-

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19 and amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 121	The Effect of Changes in Foreign Exchange Rates –Translation to a Hyperinflationary Presentation Currency

Amendments to MFRSs - effective date deferred indefinitely:-

Amendments to MFRS 10 and 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company intend to adopt these new and amended standards, if applicable, when they become effective. The initial application of the above standards/amendments to MFRS is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption, except for MFRS 18 Presentation and Disclosure in Financial Statements.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 Presentation and Disclosure in Financial Statements introduces three sets of new requirements to improve companies' reporting of financial performance:-

- Improved comparability in the statement of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It carries forward many requirements from MFRS 101 unchanged. MFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, but companies can apply it earlier.

The Group and the Company are currently working to identify all impacts the amendments will have on the financial statements and notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. BASIS OF PREPARATION (CONT'D)

3.6 Significant accounting estimates and judgements

Estimates and 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.

3.6.1 Estimation uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses at the reporting date are discussed below:-

Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment to be within 2 to 91 years and reviews the useful lives of depreciable assets at the end of each reporting year. At 31 December 2025, management assesses that the useful lives represent the expected utility of the assets to the Group and the Company.

The carrying amounts of the Group's and the Company's property, plant and equipment at the reporting date are analysed in Note 5 to the Financial Statements. Actual results, however, may vary due to change in the expected levels of usage and technological developments, which resulting the adjustment to the Group's and the Company's assets.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Provision for expected credit losses ("ECL") of trade receivables and contract assets

The Group uses a provision matrix to calculate ECL for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with the forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the trading sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

3. BASIS OF PREPARATION (CONT'D)

3.6 Significant accounting estimates and judgements (Cont'd)

3.6.1 Estimation uncertainty (Cont'd)

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable value, management takes into account the most reliable evidence available at the time the estimates are made.

The Group's businesses are subject to economical, technological and social preference changes which may cause selling prices to change rapidly and the Group's results to change.

The carrying amount of the Group's inventories at the reporting date is disclosed in Note 6 to the Financial Statements.

Employee share options

The Group and the Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the options granted. This estimate also requires to determine the most appropriate inputs to the valuation model including the expected life of the share options, volatility and dividend yield and making assumptions about them.

The assumptions and model used for estimating fair value for share-based payment transactions, sensitivity analysis and the carrying amounts are disclosed in Note 17 to the Financial Statements.

Revenue and cost recognised from joint property development activities

Revenue is recognised when or as the control of the asset is transferred to the customers and, depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress, based on the stage of completion method. The stage of completion is measured using the output method, which is based on the level of completion of the development phase of the property as certified by customer.

Significant judgement is required in determining the progress towards complete satisfaction of that performance obligation based on the joint venturer's certified work-to-date corroborated by the level of completion of the development based on actual costs incurred to date over the estimated total construction costs. The total estimated costs are based on approved joint venturer's budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgements, management relies on past experience.

Income taxes

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. BASIS OF PREPARATION (CONT'D)

3.6 Significant accounting estimates and judgements (Cont'd)

3.6.1 Estimation uncertainty (Cont'd)

Revaluation of property, plant and equipment

The Group measures its land and buildings at revalued amount with changes in fair value being recognised in other comprehensive income. The Group engages independent valuation specialists to determine the fair values. The carrying amounts of the land and buildings at the reporting date and the relevant revaluation bases are disclosed in Note 5 to the Financial Statements.

3.6.2 Significant management judgement

There was no significant judgement made by management in the process of applying the accounting policies of the Group and of the Company which may have significant effect on the amount recognised in the financial statements.

4. MATERIAL ACCOUNTING POLICIES

The Group and the Company apply the material accounting policies as summarised below consistently throughout all years presented in the financial statements.

4.1 Consolidation

4.1.1 Subsidiaries

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

4.1.2 Business combinations

Business combinations 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 interests in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

4.2 Property, plant and equipment

All property, plant and equipment are measured at cost less accumulated depreciation and less any impairment losses.

Freehold land is measured at fair value and impairment loss recognised after the date of the revaluation. Buildings are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed at a regular interval of at least once in every five years with additional valuations in the intervening years where market conditions indicate that the carrying values of the revalued land and buildings materially differ from the market values.

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.2 Property, plant and equipment (Cont'd)

Freehold land is not depreciated. Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful life. Other property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Leasehold land	Over 81 to 91 years
Buildings	2%
Office equipment, furniture and fittings	15% to 33 1/3%
Motor vehicles	20%
Renovation	10% to 50%
Site cabin and tools	10%
Signboard	20%

4.3 Inventories

4.3.1 Trading goods

Inventories comprise goods held for trading are stated at the lower of cost or net realisable value. Cost is determined on the weighted average basis and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less any estimated costs necessary to make the sale.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items. The Group writes down its obsolete or slow-moving inventories based on assessment of the condition and the future demand for the inventories. These inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recovered.

4.3.2 Land held for property development and property development costs

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made.

Land held for property development is defined as land on which development is not expected to be completed within the normal operating cycle. Usually, no significant development work would have been undertaken on these lands. Accordingly, land held for property development is classified as non-current asset on the statements of financial position and is stated at cost plus incidental expenditure incurred to put the land in a condition ready for development.

Land on which development has commenced and is expected to be completed within the normal operating cycle is included in property development costs. Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

The cost of inventory recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

4.4 Plantation expenditure

The Group's biological asset comprises plantation expenditure. The Group recognises a biological asset in its financial statements when, and only when the Group gains control over the asset as a result of past events, it is possible that the future economic benefits associated with the asset will flow to the Group and when the fair value or cost of the asset can be measured reliably.

If the fair value less costs to sell of a biological asset could not be measured reliably, plantation expenditure recognised at its cost less any accumulated impairment losses. Inability to measure fair value reliably is presumed only on the initial recognition of a biological asset for which market-determined prices or values are not available and for which alternative estimates of fair value are determined to be clearly unreliable. Once the fair value of such a biological asset becomes reliably measurable, the Group measures it at its fair value less costs to sell.

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.4 Plantation expenditure (Cont'd)

Plantation expenditure incurred on land clearing, upkeep of immature trees, direct administrative expenses incurred during the pre-maturity period (precropping costs) are capitalised as plantation expenditure.

Biological asset is derecognised when either it is disposed of or subsequent to the point of harvest, in which MFRS 102 Inventories or another applicable standard is applied thereafter.

4.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.5.1 Financial assets

The Group and the Company carries only financial assets at amortised cost on its statements of financial position. The Group's and the Company's financial assets at amortised cost include trade and other receivables, fixed deposits with licensed banks and cash and bank balances.

4.5.2 Financial liabilities

The Group and the Company carries only financial liabilities at amortised cost on its statements of financial position. The Group's and the Company's financial liabilities at amortised cost include trade and other payables.

4.6 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

Leasehold land - over 81 to 91 years

On the statements of financial position, right-of-use assets have been included in property, plant and equipment.

4.7 Tax expenses

4.7.1 Deferred tax liabilities

Where property, plant and equipment and land held for property development which previously held as investment property are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the asset and liabilities, using tax rates enacted or substantively enacted at the reporting date.

5. PROPERTY, PLANT AND EQUIPMENT

Group	At valuation		At cost					
	Freehold land and buildings RM'000	Long term leasehold land RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Site cabin and tools RM'000	Signboard RM'000	Total RM'000
Cost or valuation								
At 1 January 2024	7,200	9,720	1,590	622	830	61	60	20,083
Additions	–	–	4	–	–	–	–	4
Written off	–	–	(24)	–	–	–	–	(24)
At 31 December 2024	7,200	9,720	1,570	622	830	61	60	20,063
Additions	–	–	163	–	–	–	–	163
Written off	–	–	(86)	–	–	–	–	(86)
At 31 December 2025	7,200	9,720	1,647	622	830	61	60	20,140
Accumulated depreciation								
At 1 January 2024	–	139	1,574	622	830	61	60	3,286
Depreciation for the financial year	174	139	10	–	–	–	–	323
Written off	–	–	(24)	–	–	–	–	(24)
At 31 December 2024	174	278	1,560	622	830	61	60	3,585
Depreciation for the financial year	174	139	43	–	–	–	–	356
Written off	–	–	(86)	–	–	–	–	(86)
At 31 December 2025	348	417	1,517	622	830	61	60	3,855
Net carrying amount								
At 31 December 2025	6,852	9,303	130	–	–	–	–	16,285
At 31 December 2024	7,026	9,442	10	–	–	–	–	16,478

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

	Motor vehicles RM'000
Company	
Cost	
At 1 January 2024/31 December 2024/31 December 2025	174
Accumulated depreciation	
At 1 January 2024/31 December 2024/31 December 2025	173
Net carrying amount	
At 1 January 2024/31 December 2024/31 December 2025	1

The freehold land and buildings of the Group were revalued in year 2023 and the leasehold land of the Group was revalued in year 2022 by an independent professional valuer. The valuations were based on the comparison method by reference to recent market transactions.

Had the revalued land and buildings been carried under the cost model, the net carrying amounts of land and buildings would have been included in the financial statements of the Group as at the end of the reporting year as follows:-

	Group	
	2025 RM'000	2024 RM'000
Freehold land and buildings	2,205	2,241
Leasehold land	1,174	1,191
	3,379	3,432

Fair value information

Fair value of property, plant and equipment are categorised as follows:-

	Group	
	2025 RM'000	2024 RM'000
Level 2		
Freehold land and buildings	6,852	7,026
Leasehold land	9,303	9,442
	16,155	16,468

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer. There was no transfer between the fair value hierarchy during the financial year.

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

Included in the net carrying amount of property, plant and equipment is right-of-use asset as follows:-

	Group	
	2025 RM'000	2024 RM'000
Leasehold land	9,303	9,442

6. INVENTORIES

	Group	
	2025 RM'000	2024 RM'000
Non-current:		
Land held for property development (Note 6.1)	93,629	93,629
Current:		
Property development costs (Note 6.2)	40,921	50,694
Trading goods (Note 6.3)	502	485
	41,423	51,179
	135,052	144,808

6.1 Land held for property development

	Group	
	2025 RM'000	2024 RM'000
At beginning/end of financial year		
- leasehold land, at cost:	93,629	93,629

6.2 Property development costs

	Group	
	2025 RM'000	2024 RM'000
At 1 January		
- leasehold land, at cost	50,694	50,407
Development costs incurred during the financial year	163	287
	50,857	50,694
Cost recognised as expenses in the current year	(9,936)	–
At 31 December	40,921	50,694

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVENTORIES (CONT'D)

6.3 Trading goods

	Group 2025 RM'000	Group 2024 RM'000
Trading goods	517	500
Less: Provision for inventories written down		
At 1 January	(15)	(201)
Recognised	–	(13)
Reversal	–	199
At 31 December	(15)	(15)
	502	485
Recognised in profit or loss:		
- Inventories recognised as cost of sales	31,417	21,454

In prior year, the provision for inventories were reversed as a result of subsequent sales of the inventories.

7. PLANTATION EXPENDITURE

	Group 2025 RM'000	Group 2024 RM'000
At 1 January	2,528	2,411
Additions	128	117
At 31 December	2,656	2,528

Included in plantation expenditure incurred during the financial year are:-

	Group 2025 RM'000	Group 2024 RM'000
Staff salaries	90	71
Defined contribution plan	13	12
Other related staff costs	2	13

8. INVESTMENT IN SUBSIDIARIES

	Company 2025 RM'000	Company 2024 RM'000
Unquoted shares - at cost	178,100	178,100
Less: Accumulated impairment loss	(171,494)	(171,494)
	6,606	6,606

Investment in subsidiaries that are impaired at reporting date related to those subsidiaries that are having recoverable amount lower than costs of investment.

In prior year, the Company subscribed for additional 12,250 ordinary shares of RM1 per share for total cash consideration of RM1 in Compugates Sabah Sdn. Bhd., increasing its ownership from 51% to 100%.

The following information relates to the subsidiaries which principal places of business are in Malaysia:-

Name of company	Equity interest 2025 %	Equity interest 2024 %	Principal activities
Held directly:-			
Compugates Sdn. Bhd.	100	100	Trading, marketing and distribution of imaging, information technology and communication-based products
Selama Muda Jaya Sdn. Bhd.	100	100	Dormant
Compugates International Sdn. Bhd.	100	100	Dormant
Held under Compugates Sdn. Bhd.:-			
Compugates Marketing Sdn. Bhd.	100	100	Investment holding, planting and trading of gaharu tree, trading and online sales and distribution of information technology and communication-based products, general merchants and gaharu derivatives
Held under Compugates Marketing Sdn. Bhd.:-			
Classic Distribution Sdn. Bhd.	100	100	Dormant
Compugates Development and Mining Sdn. Bhd. ("CDMSB")	70	70	Land owner, property investment holdings and property development
Compugates Perak Sdn. Bhd.	100	100	Plantation, cultivation, inoculation, harvesting and distillation services on the gaharu trees; and development, promotion and marketing of gaharu trees and other derivatives and by-products
Compugates Sabah Sdn. Bhd. ("CSSB")	100	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:-

	CDMSB RM'000	CSSB RM'000	Total RM'000
Percentage of ownership interest and voting interest	30%	–	
2025			
Carrying amount of NCI	31,661	–	31,661
Loss allocated to NCI	(1,956)	–	(1,956)
Percentage of ownership interest and voting interest	30%	–	
2024			
Carrying amount of NCI	33,617	–	33,617
Loss allocated to NCI	(309)	(2)	(311)

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material non-controlling interests is as below:-

	CDMSB 2025 RM'000	CDMSB 2024 RM'000
Financial position as at 31 December:-		
Non-current assets	93,629	93,629
Current assets	43,721	50,773
Non-current liabilities	(12,107)	(11,943)
Current liabilities	(19,702)	(20,398)
	105,541	112,061
Summary of financial performance for the financial year ended 31 December:-		
Revenue	16,771	–
Net loss/total comprehensive loss for the financial year	(6,520)	(1,030)
Summary of cash flows for the financial year ended 31 December:-		
Net cash flows from operating activities	16,153	2,913
Net cash flows used in investing activities	(1,918)	–
Net cash flows used in financing activities	(14,235)	(2,841)

9. AMOUNT DUE FROM SUBSIDIARIES

	Company	
	2025 RM'000	**2024 RM'000**
Non-current:-		
Amount due from subsidiaries	984	919
Current:-		
Amount due from subsidiaries	51,769	53,246
Less: Accumulated impairment loss		
At 1 January	(53,246)	(49,463)
Recognised	(11)	(3,783)
Reversal	1,488	–
At 31 December	(51,769)	(53,246)
	–	–
	984	919

The amount due from subsidiaries is non-trade in nature, unsecured, interest free and repayable on demand, except for the amount of RM445,707 (2024: RM923,624) due from a subsidiary which bears interest rates range from 2.99% to 8.88% (2024: 2.99% to 8.88%) per annum.

The financial expenses/income of RM3,867 (2024: RM3,771) is recognised in the financial statements representing the discounting effect of the amount due from a subsidiary which classified under non-current asset.

10. CONTRACT ASSETS

	Group	
	2025 RM'000	**2024 RM'000**
Contract assets arising from joint property development activities:		
At 1 January	–	–
Revenue recognised during the financial year (Note 21)	16,771	–
Progress billing up to date	(15,969)	–
At 31 December	802	–

Contract assets represent work performed but not yet billed. The increase in contract assets is due to revenue recognised from the joint property development based on the progress of the completion of the development exceeding billings issued to the joint developer.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. TRADE RECEIVABLES

	Group 2025 RM'000	Group 2024 RM'000
Trade receivables	1,190	995
Less: Accumulated impairment loss		
At 1 January	(65)	(47)
Recognised	–	(18)
At 31 December	(65)	(65)
	1,125	930

The Group's normal trade credit terms range from 1 to 60 days (2024: 1 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

12. OTHER RECEIVABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other receivables	276	292	8	8
Less: Accumulated impairment loss	(245)	(245)	–	–
	31	47	8	8
Deposits	40	42	5	5
Prepayments	83	133	3	1
	154	222	16	14

13. FIXED DEPOSITS WITH LICENSED BANKS

The effective interest rate of fixed deposits with licensed banks are ranged in 1.0% to 3.5% (2024: 1.3% to 2.7%) per annum. The maturity period of the fixed deposits are less than 3 months and no pledge with any financial institution.

14. SHARE CAPITAL

	Group and Company			
	2025 Unit'000	**2024 Unit'000**	**2025 RM'000**	**2024 RM'000**
Issued and fully paid of ordinary shares with no par value:-				
At 1 January	6,050,407	5,500,370	96,245	91,295
Issuance of ordinary shares - private placement	–	550,037	–	4,950
At 31 December	6,050,407	6,050,407	96,245	96,245

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

15. REVALUATION RESERVE

	Group	
	2025 RM'000	**2024 RM'000**
At 1 January	32,671	32,849
Crystallisation of revaluation reserve	(178)	(178)
At 31 December	32,493	32,671

The revaluation reserve represents the revaluation surplus of property, plant and equipment.

16. OTHER RESERVE

		Group		Company	
	Note	**2025 RM'000**	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Non-distributable					
Other reserve	(a)	(2,100)	(2,100)	–	–
ESOS reserve	(b)	9,076	–	9,076	–
		6,976	(2,100)	9,076	–

(a) Other reserve

The other reserves arose from additional interest acquired from non-controlling interests of Compugates Development and Mining Sdn. Bhd.

(b) ESOS reserve

The ESOS reserve represents the equity-settled share options granted to eligible employees of the Group and of the Company. The ESOS reserve is made up of the cumulative value of services received from employees at grant date of the share options and is reduced by the expiry or exercise of the share options. The salient terms and key assumptions in deriving the fair value of the ESOS are disclosed in Note 17 to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

17. EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The Company's ESOS is governed by the By-Laws which were approved by the shareholders at an Extraordinary General Meeting held on 28 May 2025. The ESOS shall be in force for a period of two (2) years commencing from 3 June 2025 and will expire on 3 June 2027.

The salient features of the ESOS scheme are, inter alia, as follows:-

(i) The maximum number of new shares of the Company which may be issued and allotted pursuant to the exercise of the share options shall not in aggregate exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) of the Company at any one time during the duration of the ESOS.

(ii) Any employee or Director of any company comprised in the Group shall be eligible to participate in the ESOS if, as at the date of offer, the employee is at least 18 years of age or above; and is employed on a continuous full-time basis and must be a confirmed employee.

(iii) The option price shall be determined at a discount of not more than 10% from the weighted average market quotation of the Company's shares as quoted on Bursa Malaysia Securities Berhad for the 5 market days immediately preceding the date of the offer or at par, whichever is higher.

(iv) The options shall not carry any voting rights at any general meeting of the Company and shall not be entitled to any dividends, rights and/or other entitlements.

(v) The new shares to be allotted and issued upon exercise of any option shall upon allotment rank pari passu in all respects with the existing shares of the Company.

A summary of the movement in the number ESOS and the weighted average exercise prices ("WAEP") is as follow:-

	Group and Company		
	Grant date	Number of share option Unit	Weighted average exercise price RM
2025			
At 1 January		–	
Granted during the financial year	03.06.2025	907,561,162	0.015
At 31 December		907,561,162	0.015

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a Black-Scholes Model, with the following inputs:-

	ESOS
Fair value at grant date (RM)	0.010
Weighted average share price (RM)	0.015
Expected volatility (%)	80
Risk-free interest rate (% per annum)	3.16
Dividend yield (%)	–
Expected life options (years)	2

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.

18. DEFERRED TAX LIABILITIES

	Group	
	2025 RM'000	2024 RM'000
At 1 January	13,835	13,886
Recognised in profit or loss (Note 24)	(51)	(51)
At 31 December	13,784	13,835

The deferred tax liabilities arose from the tax impact on revaluation surplus of property, plant and equipment and land held for property development which previously held as investment property.

19. OTHER PAYABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Other payables	1,435	1,327	81	136
Amount due to a Director	39	54	39	54
	1,474	1,381	120	190
Current				
Other payables	5,337	4,164	229	441
Accruals	1,859	2,530	112	116
Deposit received	6,100	5,100	–	–
Director and staff incentives	12,136	4,717	149	223
Amount due to a Director	100	309	100	297
	25,532	16,820	590	1,077
	27,006	18,201	710	1,267
Represented by:				
- Current	25,532	16,820	590	1,077
- Non-current	1,474	1,381	120	190
	27,006	18,201	710	1,267

Included in other payables and director and staff incentives of the Group and of the Company are RM11,933,614 (2024: RM6,732,609) and RM306,502 (2024: RM573,057) respectively, owing to the Directors of the subsidiaries. Such amount owing to a Director of the subsidiaries and the amount due to a Director of the Company are non-trade in nature, unsecured and interest free except for RM306,502 (2024: RM573,057) and RM139,205 (2024: RM350,567) respectively, which are back-to-back advances from previous various personal loans and credit card facilities, borrowed in their personal capacity from the financial institutions and on-lent to the Group and to the Company, which bear interest rates payable to the financing banks ranging from 2.99% to 8.88% (2024: 2.99% to 8.88%) per annum. The repayment periods of the amount owing to a Director of the subsidiaries and the amount due to a Director of the Company are due within 30 days to 1.5 years (2024: 30 days to 2.5 years).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. OTHER PAYABLES (CONT'D)

Included in other payables of the Group is RM2,437,193 (2024: RM2,273,741) due to a third party which bears interest at 8% (2024: 8%) per annum. The amount is non-trade in nature, unsecured and the repayment period commences after the development is complete.

Included in other payables of the Group is RM1,593,034 (2024: RM1,043,985) due to a key management personnel which is unsecured, interest free and repayable on demand.

Deposit represents the deposit received from third parties in relation to the joint venture agreements entered by a subsidiary.

20. TRADE PAYABLES

The normal trade credit terms granted to the Group are 1 to 45 days (2024: 1 to 45 days).

21. REVENUE

	Group	
	2025	**2023**
	RM'000	**RM'000**
Types of revenue		
Trading income	22,112	21,869
Land owner's entitlement	16,771	–
	38,883	21,869
Timing of revenue recognition		
Satisfied at a point in time	22,112	21,869
Satisfied over time	16,771	–
At 31 December	38,883	21,869

All revenue is generated in Malaysia.

<u>Land owner's entitlement from joint property development</u>

The Group recognises revenue from joint property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to receive payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The stage of completion is measured using the output method, which is based on the level of completion of the development phase of the project as certified by the customer.

Where the outcome of a development cannot be reasonably estimated, revenue is recognised to the extent of property development costs incurred that is probable will be recoverable, and the property development costs shall be recognised as an expense in the year in which they are incurred.

Where revenue recognised in the profit or loss exceeds the billings to the joint developer, the balance is shown as contract assets under current assets; and where billings to the joint developer exceed the revenue recognised in the profit or loss, the balance is shown as contract liabilities under current liabilities.

22. FINANCE COSTS

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Interest expenses				
- other payables	99	273	99	127
- subsidiary	–	–	4	–
	99	273	103	127

23. LOSS BEFORE TAX

Loss before tax is determined after charging amongst others, the following items:-

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Auditors' remuneration:				
- statutory audit	155	140	53	53
- assurance-related services	6	61	6	61
- other services	21	–	7	–

24. TAX EXPENSE/(INCOME)

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Current tax:				
- Current year	581	–	–	–
- Under provision in prior year	–	15	–	–
Crystalisation of deferred tax liabilities arising from revaluation of properties (Note 18)	(51)	(51)	–	–
	530	(36)	–	–

Malaysia income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated assessable loss for the financial year.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

24. TAX EXPENSE/(INCOME) (CONT'D)

A reconciliation of tax expenses/(income) applicable to loss before tax at the statutory income tax rate to tax income at the effective income tax rate of the Group and of the Company is as follows:-

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Loss before tax	(22,748)	(10,523)	(8,449)	(5,032)
Taxation at applicable tax rate of 24% (2024: 24%)	(5,460)	(2,526)	(2,028)	(1,208)
Tax effects arising from:-				
- non-deductible expenses	5,210	848	2,028	1,208
- non-taxable income	(54)	(264)	–	–
- crystallisation of deferred tax liabilities	(51)	(51)	–	–
- movement of deferred tax assets not recognised during the year	885	1,942	–	–
- under provision of current tax expense in prior year	–	15	–	–
Tax expense/(income) for the financial year	530	(36)	–	–

Deferred tax assets have not been recognised in respect of the following items as it is not probable that whether sufficient future taxable profits will be available against which the Group can utilise the benefit:-

	Group	
	2025 RM'000	**2024 RM'000**
Plant and equipment	(2,661)	(2,522)
Other deductible temporary differences	3,249	4,956
Unabsorbed tax losses	96,411	90,935
Unutilised capital allowances	2,604	2,548
	99,603	95,917

The expiry of the unabsorbed tax losses is as follows:-

	Group	
	2025 RM'000	**2024 RM'000**
Carry forward up to year of assessment 2028	44,191	44,993
Carry forward up to year of assessment 2029	12,388	12,756
Carry forward up to year of assessment 2030	6,791	6,970
Carry forward up to year of assessment 2031	4,986	5,569
Carry forward up to year of assessment 2032	6,748	6,934
Carry forward up to year of assessment 2033	5,473	5,473
Carry forward up to year of assessment 2034	8,027	8,240
Carry forward up to year of assessment 2035	7,807	–
	96,411	90,935

25. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Salaries, wages, bonuses, allowances and other emoluments	16,244	9,272	446	622
Defined contribution plan	2,218	540	–	–
Other staff related cost	305	258	–	–
	18,767	10,070	446	622

The fair value of the share-based payments based on Black-Scholes model granted to the employees of the Group and of the Company amounting to RM9,075,612 (2024: Nil).

Included in the employee benefits expenses is the Directors' remuneration as below:-

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Directors of the Company				
Fees	446	622	446	622
Salaries and other emoluments	1,236	1,258	–	223
Defined contribution plan	186	57	–	–
	1,868	1,937	446	845
Directors of the subsidiaries				
Fees	1,400	400	–	–
Salaries and other emoluments	10,573	5,267	–	–
Defined contribution plan	1,673	299	–	–
	13,646	5,966	–	–
	15,514	7,903	446	845

The fair value of the share-based payments based on Black-Scholes model granted to the Directors of the Company and Directors of the subsidiaries incurred by the Group and by the Company amounting to RM3,690,000 (2024: Nil) and RM1,330,000 (2024: Nil) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. LOSS PER SHARE

Basic loss per ordinary share

Basic loss per share is calculated by dividing net loss for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2025	**2024**
Net loss attributable to ordinary equity holders of the Company (RM'000)	(21,322)	(10,176)
Weighted average number of ordinary shares (Unit' 000)	6,050,407	5,605,857
Basic loss per ordinary share (sen)	(0.35)	(0.18)

Diluted loss per ordinary share

The diluted loss per share of the Group is calculated by dividing the loss attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year adjusted for the dilutive effects of all potential ordinary shares.

	Group	
	2025	**2024**
Net loss attributable to ordinary equity holders of the Company (RM'000)	(21,322)	(10,176)
Weighted average number of ordinary shares (Unit' 000)	6,050,407	5,605,857
Adjustment for conversion of ESOS	*	–
	6,102,872	5,605,857
Diluted loss per ordinary share (sen)	(0.35)	(0.18)

* The ESOS have not been included in the calculation of diluted earnings per share as they are anti-dilutive, as the Group is in a loss making position for the financial year.

27. RELATED PARTIES

(a) Related party transactions

Set out below are the related party transactions for the financial year. The related party transactions described below were carried out on terms and conditions mutually agreed between the respective parties:-

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Finance costs charged by:				
- Director of the Company	32	47	32	47
- Director of the subsidiaries	67	80	67	80
Finance income charged on a subsidiary	–	–	99	127
Advances to subsidiaries	–	–	325	5,787
Payment on behalf from subsidiaries	–	–	811	1,000

27. RELATED PARTIES (CONT'D)

(b) Key management personnel compensation

Key management personnel comprise staff of the Group having authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly.

Directors' remuneration is disclosed in Note 25 to the Financial Statements. Other key management personnel compensation of the Group is as follows:

	2025 RM'000	2024 RM'000
Salaries, wages and other emoluments	1,254	636
Defined contribution plan	175	34
Other staff related cost	4	4
	1,433	674

The fair value of the share-based payments based on Black-Scholes model granted to the key management personnel of the Group and of the Company amounting to RM1,330,000 (2024: Nil).

28. OPERATING SEGMENT

Business segment

For management purpose, the Group is organised into business units based on their products and services provided. The Group is organised into three main business segments as follows:-

(i) Trading and services segment – involved in the trading, marketing, distribution of imaging, information technology, communication-based products and general merchants
(ii) Property development segment – involved in property development and land owner's entitlement under joint property arrangements
(iii) Agriculture segment – involved in trading and cultivation of agricultural products

Management monitors the operating results to its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on a negotiated basis in a manner similar to transactions with third parties.

28. OPERATING SEGMENT (CONT'D)

Group

	Trading and services RM'000	Property development RM'000	Agriculture RM'000	Consolidated RM'000
2025				
Revenue				
External sales	22,112	16,771	–	38,883
Results				
Finance income	86	29	–	115
Finance costs	(99)	–	–	(99)
Depreciation	(216)	–	(140)	(356)
Tax (expense)/income	28	(581)	23	(530)
Segment loss	(12,935)	(6,473)	(3,870)	(23,278)
Assets				
Additions to non-current assets (Note (i))	163	–	128	291
Segment assets	11,107	135,431	19,476	166,014
Liabilities				
Segment liabilities	4,924	31,809	4,645	41,378
2024				
Revenue				
External sales	21,869	–	–	21,869
Results				
Finance income	107	–	–	107
Finance costs	189	(462)	–	(273)
Depreciation	(183)	–	(140)	(323)
Tax income/(expense)	28	(15)	23	36
Other non-cash expense (Note (ii))	(18)	–	–	(18)
Segment loss	(1,950)	(1,030)	(7,507)	(10,487)
Assets				
Additions to non-current assets (Note (i))	–	–	121	121
Segment assets	13,373	144,402	13,847	171,622
Liabilities				
Segment liabilities	6,936	18,154	7,694	32,784

28. OPERATING SEGMENT (CONT'D)

(i) Additions to non–current assets consist of:-

	Group	
	2025	**2024**
	RM'000	**RM'000**
Property, plant and equipment	163	4
Plantation expenditure	128	117
	291	121

(ii) Other non-cash expense consist of the following item:-

	Group	
	2025	**2024**
	RM'000	**RM'000**
Impairment loss on financial assets	–	18

Geographical segment

The Group's businesses are operated entirely within Malaysia and as such, no segment information based on geographical location is presented.

Information about major customers

Total revenue from 1 (2024: Nil) major customers which individually contributed to 10% or more of the Group's revenue amounted to RM16,771,257 (2024: Nil), arising from the sales of the property development segment.

29. FINANCIAL INSTRUMENTS

(a) Financial risk management and objectives

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's and the Company's business whilst managing its risks. The Group and the Company operate within clearly defined policies and procedures that are approved by the Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:-

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The exposure to credit risk is monitored by the management on an ongoing basis and the management does not expect any counterparty fail to meet its obligations.

29. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management and objectives (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(i) Credit risk (Cont'd)

The areas where the Group are exposed to credit risk are as follows:-

Receivables and contract assets

With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, management has taken reasonable steps to ensure that receivables and contract assets that is neither past due nor impaired are stated at the realisable values.

Trade receivables that is neither past due nor impaired is creditworthy debtor with good payment records with the Group.

In respect of contract assets arising from the landowner's entitlement, the Group's credit risk exposure is mitigated as the legal title to the land is retained until full settlement by the joint property developer. In addition, the purchasers of the properties relating to the joint property development are generally supported by end financing from financial institutions, thereby reducing the risk of non-collection of the outstanding balances.

Generally, trade receivables are written off if the Directors deem them uncollectable. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Collateral is considered integral part of trade receivables and considered in the calculation of impairment. At the reporting date, all of the Group's contract assets are covered by collateral. As such, no expected credit losses are required as at the reporting date.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:-

Group

	Gross carrying amount RM'000	Expected credit loss rate %	Loss allowance RM'000	Net carrying amount RM'000
2025				
Not past due	971	–	–	971
Past due 1-60 days	145	–	–	145
Past due more than 120 days	74	88	(65)	9
	1,190		(65)	1,125
Contract assets	802	–	–	802
2024				
Not past due	742	–	–	742
Past due 1-60 days	123	–	–	123
Past due more than 120 days	130	50	(65)	65
	995		(65)	930

There is no contract assets in prior year.

29. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management and objectives (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(i) Credit risk (Cont'd)

The areas where the Group are exposed to credit risk are as follows (Cont'd):-

Receivables and contract assets (Cont'd)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year or if Directors deemed them uncollectable. The maximum exposure to credit risk arising from trade receivables are limited to the carrying amounts as stated in the statements of financial position.

Other receivables

As at the end of the reporting date, the maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position and the Group and the Company did not recognise any allowance for impairment losses.

Intercompanies balances

The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

The Company provides unsecured loans and advances to subsidiaries and monitors their results regularly. As at the end of the reporting year, there was no indication that the loans and advances to the subsidiaries are not recoverable except for those disclosed in Note 9 to the Financial Statements.

Cash and cash equivalents

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

Financial guarantee

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary and creditors for credit terms granted to a subsidiary. The Company monitors on an ongoing basis the repayments made by the subsidiary and its financial performance.

The maximum exposure to credit risk amounts to RM142,048 (2024: RM156,206) representing the outstanding credit facilities to suppliers of the subsidiary guaranteed by the Company at the reporting date. At the reporting date, there was no indication that the subsidiary would default on its repayment.

The financial guarantee has not been recognised as the fair value on initial recognition was immaterial since the financial guarantee provided by the Company did not contribute towards credit enhancement of the subsidiary's borrowings in view that it is unlikely the subsidiary will default within the guarantee period.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

29. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management and objectives (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favorable interest rate available.

The following table summarises the interest rate profile of the Group and of the Company as at the reporting date:-

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Fixed rate instrument				
Financial assets				
Amount due from a subsidiary	–	–	446	924
Fixed deposits with licensed banks	8,955	5,900	–	–
Financial liability				
Other payables	446	924	446	924

The Group and the Company do not account for fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting year would not affect the profit or loss.

29. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial risk management and objectives (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(iii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's liquidity is primarily dependent on its ability to maintain adequate cash inflow from operations to meet its debts obligations as and when they fall due and on its ability to obtain external financing for its committed future capital expenditures.

At the reporting date, the Group's and the Company's non-derivative financial liabilities which have contractual maturities are summarised below:-

			← Maturity	→
	Carrying amount RM'000	**Contractual cash flows RM'000**	**Less than 1 year RM'000**	**Between 1 year to 5 years RM'000**
Group				
2025				
Unsecured:				
Trade payables	507	507	507	–
Other payables	27,006	27,134	25,635	1,499
	27,513	27,641	26,142	1,499
2024				
Unsecured:				
Trade payables	748	748	748	–
Other payables	18,201	18,312	16,893	1,419
	18,949	19,060	17,641	1,419
Company				
2025				
Unsecured:				
Other payables	710	836	692	144
2024				
Unsecured:				
Other payables	1,267	1,378	1,150	228

The liquidity risk arises from financial guarantee by the Company in respect of payables owing by a subsidiary amounted to RM142,048 (2024: RM156,206).

(a) Fair values of financial instruments

The fair values of financial assets and financial liabilities of the Group and of the Company are reasonable approximation of their carrying amounts on the statements of financial position.

(b) Fair value hierarchy

No fair value hierarchy has been disclosed as the Group and the Company do not have financial instruments measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

30. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Group manages its capital structure by monitoring the capital and net debts on an ongoing basis. To maintain the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debts.

There were no changes in the Group's approach to capital management during the financial year.

31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING DATE

Compugates Development and Mining Sdn. Bhd. ("CDMSB") had on 18 August 2015 entered into a Joint Venture Agreement ("JVA") with a third party, as the developer, for the joint development of a parcel of leasehold land owned by CDMSB located at Sepang, Selangor Darul Ehsan, measuring approximately 154,990 square metres ("JV Land") into a mixed development project. On 13 December 2017, CDMSB received a letter from Lembaga Lebuhraya Malaysia informing that based on the land acquisition plan, partial of the land with 0.9892 hectares or 2.44 acres ("Land") is affected by the construction of Lebuhraya Kuala Lumpur – Putrajaya – KLIA (MEX 2). Subsequently, on 15 October 2018, CDMSB received a compensation offer of RM9,397,400 ("Compensation Sum") for the compulsory acquisition of 0.9892 hectares of the Land which was part of the JV Land and a further sum of RM750,014 for incidental costs payable to CDMSB, which CDMSB accepted with objection. The Compensation Sum was paid to the Shah Alam High Court ("High Court") by the land administrator as there was a caveat lodged on the JV Land by a third party pursuant to the JVA. This led to multiple legal proceedings between CDMSB and the third party at the Federal Court, High Court and Court of Appeal from year 2018 to year 2025.

On 3 January 2024, the High Court had ordered compensation sum amounting RM9,397,400 to be released to CDMSB. Subsequently, on 2 August 2024, the Court has released the compensation amounting RM5,317,123 to the third party and RM4,310,099 to CDMSB.

On 25 February 2025, the full trial completed where the Court had assessed the damages suffered by CDMSB during the period of 14 December 2022 to 4 September 2023 to be RM750,584. This amount was paid by the third party on 25 April 2025.

On 25 March 2025, the third party filed an appeal with the Court of Appeal. CDMSB also filed a partial appeal in respect of certain items of damages suffered by CDMSB that were disallowed. The appeals are scheduled for a full hearing on 22 June 2026.

The Directors are of the opinion that no adjustment to be made in the financial statements in respect of this application since the case is yet to complete as at the reporting date.

LIST OF PROPERTIES
AS AT 31.12.2025

COMPUGATES GROUP OF COMPANIES

Location	Description	Date of Acquisition / Date of Valuation	Gross Floor/ Land Area (square feet)	Tenure	Age of Buildings (years)	Net Book Value (RM)
No. 3-1 to 3-5 Jalan PJU 1/ 41 Dataran Prima Petaling Jaya Selangor Darul Ehsan	Five (5) Strata shop / office	30 Dec1999 29 Dec 2023	No. 3-1: 1,572 No. 3-2: 1,722 No. 3-3: 1,733 No. 3-4: 1,733 No. 3-5: 1,722 8,482	Freehold	26	3,436,264
No. 31-2 Jalan PJU 1/ 39 Dataran Prima Petaling Jaya Selangor Darul Ehsan	One (1) Strata shop / office	9 Aug 2002 29 Dec 2023	No. 31-2: 1,722	Freehold	23	563,452
Level No. 07 101-07-09 Menara PERDANA Jalan Gurdwara Penang	1 storey in a 14-storey light industrial building	26 Sep 2006 29 Dec 2023	2,034	Freehold	19	1,052,106
H.S(D) 15896 PT 32544 (Plot A) Mukim of Dengkil District of Sepang State of Selangor Darul Ehsan	A parcel of development agricultural land	25 Sep 2008 26 Apr 2013 9 Apr 2018	Land Area 62 acres	Leasehold for a term of 99 years expiring on 1 February 2104	–	38,484,322
H.S(D) 13828 PT 26800 (Plot E-Studio) Mukim of Dengkil District of Sepang State of Selangor Darul Ehsan	A parcel of commercial development land	25 Sep 2008 3 Jun 2016 31 Dec 2020 31 Dec 2024	Land Area 1,561,820	Leasehold for a term of 99 years expiring on 21 May 2103	–	93,629,077
H.S(D) 9651 PT 2263 Mukim of Kota Lama Kiri District of Kuala Kangsar State of Perak Darul Ridzuan	A parcel of vacant agriculture land	29 Sep 2009 29 Dec 2023	Land Area 513,654	Freehold	–	1,800,000
H.S(D) 1464 to 1744 PT 952 to 1232 Mukim of Kota Lama Kiri District of Kuala Kangsar State of Perak Darul Ridzuan	281 pieces of commercial development land	29 Sep 2009 26 Apr 2013 29 Dec 2017 31 Dec 2022	Land Area 957,977	Leasehold for a term of 99 years expiring on 24 Jan 2093	–	9,303,924
Total Net Book Value:						**148,269,145**

ANALYSIS OF SHAREHOLDINGS
AS AT 27 MARCH 2026

SHARE CAPITAL

Total Number of Issued Shares	:	6,050,407,750
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

SHAREHOLDING DISTRIBUTION SCHEDULE (AS PER THE RECORD OF DEPOSITORS)

No. of Shareholders	Size of Shareholdings	No.of Shared Held	% of Shares
89	Less than 100	2,190	*
2154	100 to 1,000	1,381,117	0.02
1868	1,001 to 10,000	10,041,739	0.17
2793	10,001 to 100,000	149,844,964	2.48
1838	100,001 to less than 5% of issued shares	3,243,386,200	53.60
4	5% and above of the issued shares	2,645,751,540	43.73
8,746	**TOTAL**	**6,050,407,750**	**100.00**

* *Less than 0.01%*

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (AS PER THE RECORD OF DEPOSITORS)

	Name of Shareholders	No. of Shares Held	Percentage (%)
1.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB For Curate Holdings Sdn Bhd (PB)*	856,487,872	14.16
2.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB For Hian Holdings Sdn Bhd (PB)*	800,037,068	13.22
3.	Eternal Harmony Sdn Bhd	600,000,000	9.92
4.	See Thoo Chan	389,226,600	6.43
5.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Sierra Bonus Sdn Bhd*	287,331,300	4.75
6.	Khor Chong Hai	211,389,000	3.49
7.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Goh Kheng Peow*	195,000,000	3.22
8.	See Thoo Chan	151,446,540	2.50
9.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for See Thoo Chan*	144,873,100	2.39
10.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Goh Kheng Peow*	125,860,010	2.08
11.	Affin Hwang Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Siew Li (M08)*	98,000,000	1.62
12.	Kevin Wee Teck Jin	76,794,100	1.27

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (AS PER THE RECORD OF DEPOSITORS) (CONT'D)

	Name of Shareholders	No. of Shares Held	Percentage (%)
13.	Gan Siew Liat	71,500,000	1.18
14.	Koh Lean Poh	64,728,447	1.07
15.	Lakeview Holding Sdn Bhd	61,000,000	1.01
16.	See Thoo Chan	58,150,000	0.96
17.	Chin Mong Kong	51,030,600	0.84
18.	Affin Hwang Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Gaik Eng (LIM4779C)*	50,000,000	0.83
19.	Low Gay Teong	46,669,000	0.77
20.	RHB Capital Nominees (Tempatan) Sdn Bhd *Thong Weng Kin*	44,972,900	0.74
21.	Goh Kheng Peow	38,239,003	0.63
22.	Chang Keng Sing	36,000,000	0.60
23.	Soh Lik Kuang	34,980,700	0.58
24.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chang Keng Sing (E-KKU)*	33,000,000	0.55
25.	Wong Yoke Kuen	32,113,200	0.53
26.	Hong Min Ha	30,178,000	0.50
27.	Wong Lay Fong	25,500,000	0.42
28.	Goh Giok Yee	20,746,600	0.34
29.	CGS International Nominees Sdn Bhd *Pledged Securities Account for Varian Foo Tian Ren (MQ6052)*	20,500,000	0.34
30.	Goh Kheng Peow	20,000,000	0.33
	TOTAL	**4,675,754,040**	**77.27%**

SUBSTANTIAL SHAREHOLDERS (AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

		NO. OF SHARES HELD			
	NAME OF SHAREHOLDERS	**DIRECT**	**%**	**INDIRECT**	**%**
1.	Curate Holdings Sdn Bhd	856,487,872	14.16	–	–
2.	Soo Yi Xin	200,000	+	856,487,872 *	14.16
3.	Hian Holdings Sdn Bhd	800,037,068	13.22	–	–
4.	Eternal Harmony Sdn Bhd	600,000,000	9.92	–	–
5.	See Thoo Chan	743,696,240	12.29	379,289,013^	6.27
6.	Goh Kheng Peow	379,289,013	6.27	743,696,240#	12.29

\# *Deemed interest by virtue of his spouse's direct shareholding in Compugates Holdings Berhad*
^ *Deemed interest by virtue of her spouse's direct shareholding in Compugates Holdings Berhad*
* *Deemed interest by virtue of her direct shareholding in Curate Holdings Sdn Bhd*
\+ *Less than 0.01%*

ANALYSIS OF SHAREHOLDINGS (CONT'D)

DIRECTORS' SHAREHOLDINGS (AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

		NO. OF SHARES HELD			
	NAME OF DIRECTORS	**DIRECT**	**%**	**INDIRECT**	**%**
1.	Tan Sri Datuk Asmat bin Kamaludin	–	–	–	–
2.	See Thoo Chan	743,696,240	12.29	379,289,013 @	6.27
3.	Goh Tai Wai	–	–	–	–
4.	Mohamed Fauzi bin Omar	–	–	–	–
5.	Low Geok Eng	2,000,000	0.03	3,250,000@	0.05%
6.	Tan Siew Li	98,000,000	1.62	–	–

@ *Deemed interest by virtue of her spouse's direct shareholding in Compugates Holdings Berhad*

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

1. UTILISATION OF PROCEEDS RAISED FROM PRIVATE PLACEMENTS

i. Private placement of up to 763,940,372 new ordinary shares in Compugates Holdings Berhad ("**CHB**" or the "**Company**") ("**CHB Shares**"), representing approximately 20% of the total number of issued CHB Shares ("**Private Placement I**")

The Private Placement I was approved by the shareholders of CHB at an extraordinary general meeting ("**EGM**") held on 4 February 2022.

On 23 March 2022, the Private Placement I was deemed completed with the listing of 763,940,372 new CHB Shares raising total gross proceeds of RM6.88 million.

The status of the utilisation of proceeds from the Private Placement I as at 27 March 2026 is as tabulated below:

Detail of utilisation	Approved Limit RM	Proceed Received RM	Actual Utilisation RM	Balance RM
Working capital requirements	8,802,000.00	4,600,463.35	4,204,223.18	396,240.17
Purchase of Integrated Water Supply Scheme	2,200,000.00	2,200,000.00	0.00	2,200,000.00
Expenses for private placement exercise	75,000.00	75,000.00	75,000.00	–
Total	**11,077,000.00**	**6,875,463.35**	**4,279,223.18**	**2,596,240.17**

ii. Private placement of up to 916,728,447 new CHB Shares, representing up to 20% of the total number of issued CHB Shares ("**Private Placement II**")

The Private Placement II was approved by the shareholders of CHB at an EGM held on 23 December 2022.

On 23 February 2023, the Private Placement II was deemed completed with the listing of 916,728,447 new CHB Shares raising total gross proceeds of RM9.87 million.

The status of the utilisation of proceeds from the Private Placement II as at 27 March 2026 is as tabulated below:

Detail of utilisation	Approved Limit RM	Proceed Raised RM	Actual Utilisation RM	Variation of the Ultilisation of Proceeds RM	Balance RM
Working capital requirements	10,655,834.03	8,145,988.02	9,427,070.05	1,600,000.00	318,917.97
Repayment to Lead Developers for construction cost of the Access Road	1,600,000.00	1,600,000.00	–	(1,600,000.00)	–
Expenses for private placement exercise	120,000.00	120,000.00	120,000.00	–	–
Total	**12,375,834.03**	**9,865,988.02**	**9,547,070.05**	**–**	**318,917.97**

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

1. UTILISATION OF PROCEEDS RAISED FROM PRIVATE PLACEMENTS (CONT'D)

iii. Private Placement of up to 550,037,068 new Placement Shares, representing up to 10% of the total number of issued CHB Shares ("**Private Placement III**")

The Private Placement III was approved by the shareholders of CHB at an annual general meeting held on 30 May 2024.

On 23 October 2024, the Private Placement was deemed completed with the listing of 550,037,068 new CHB Shares raising total gross proceeds of RM 4.95 million.

The details and status of the utilisation of proceeds from Private Placement III as at 27 March 2026 are as follows:

Detail of utilisation	Approved Limit RM	Proceed Received RM	Actual Utilisation RM	Balance RM
Working capital requirements	6,168,900.42	4,085,706.61	4,085,706.61	–
Expansion of the Group's Property Development	1,176,600.00	784,627.00	176,600.00	608,027.00
Expenses for private placement exercise	80,000.00	80,000.00	58,137.79	21,862.21
Total	**7,425,500.42**	**4,950,333.61**	**4,320,444.40**	**629,889.21**

The proceeds raised and allocated to fund the working capital requirement of it agriculture segment from PP I and II still yet fully utilised is mainly due to the Group is in the process of identifying which type of inoculants may produce the most ideal quality and quantity of resin and the results of inoculation are only observable after 2 years.

To date, the Group conducted its first inoculation trials on 7 October 2021, which had yielded unfavourable results. A second round of inoculation trials was subsequently carried out on 13 April 2023.

In view of the unfavourable outcome from the harvesting conducted on a limited number of inoculated trees on 12 and 18 July 2025, the Group has decided to vary the utilisation of the proceeds originally allocated for the inoculation and harvesting of gaharu (agarwood) trees, and reallocate them to general working capital requirements for the agriculture segment, as follows:

Balance of PP1 Proceeds	:	RM396,240.17
Balance of PP2 Proceeds	:	RM318,917.86
Total Balance of Proceeds	**:**	**RM715,158.13**

Should the Group succeed in identifying a suitable inoculant for its agarwood trees, it may then proceed with large-scale inoculation, with the long-term objective of harvesting and commercialising the resin.

Additionally, proceeds raised and allocated to fund the expansion of the Group's Property Development from PP III also have not been fully utilised. The Group has decided to vary the use of these unutilised proceeds of amounting to RM 608,027.00 to fund the operating expenses under the property investment segment.

2. AUDIT AND NON-AUDIT FEES

The audit fees and non-audit fees paid or payable by the Company and the Group to the External Auditors for the financial year ended 31 December 2025 were as follows:

Audit Services	2025 Group RM	2025 Company RM
Statutory audit fees	155,000	53,000
Non-audit fees	27,000	13,000
TOTAL	**182,000**	**66,000**

3. MATERIAL CONTRACTS

On 31 January 2025, CDMSB has entered into another joint venture with developer CPG Puncak Sdn Bhd to develop a RM 1.36 billion mixed-use development on the Group's 35 acres of land within the Cybersouth Lands. Through this joint venture development, the Group will be entitled to a minimum landowner's entitlement of RM 234 million, representing a 73.85% premium over the market value of the land. The Development will be undertaken over 8-9 phases, and is expected to be completed in 13 years, with an extension period of 3 years in the JVA. As a result, as and when the construction for the respective phases of the Development is completed, CDMSB shall be entitled to receive its landowner's entitlement for the respective phase. The landowner's entitlement from the Proposed Joint Venture therefore provides the Group with a form of revenue to be recognised in the long term.

4. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, 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**	**2025 RM'000**	**2024 RM'000**
Revenue		38,883	21,869
Interest/Finance income		115	107
Others (please specify in the remarks column)	Early Payment Rebate	1	–
Total		**38,999**	**21,976**
Total Assets		**166,014**	**171,622**

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

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

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group 2025 (RM'000)	Group 2024 (RM'000)
Interest income		115	107
Total		**115**	**107**

(c) Component of Financial Position

(i) Cash Component

Conventional Account/Instruments	Remarks	Group 2025 (RM'000)	Group 2024 (RM'000)
Cash and bank balances (exclude cash in hand)		984	753
Deposits with licensed bank		4,155	4,900
Money market instruments	Money Market Deposit	4,800	1,000
Total Cash		**9,939**	**6,653**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First Annual General Meeting ("**21st AGM**" or "**Meeting**") of **COMPUGATES HOLDINGS BERHAD** ("**Compugates**" or "**the Company**") will be held at Greens III Sports Wing, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, on **Tuesday, 26 May 2026** at **10.00 a.m.** for the following purposes: -

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.

2. To approve the payment of Directors' fees of up to RM501,600 for the financial year ending 31 December 2026. **(Ordinary Resolution 1)**

3. To re-elect the following Directors who retire in accordance with Clause 134 of the Company's Constitution and who being eligible, have offered themselves for re-election:

   (i) Madam Low Geok Eng; and **(Ordinary Resolution 2)**

   (ii) Madam Tan Siew Li **(Ordinary Resolution 3)**

4. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 4)**

AS SPECIAL BUSINESS

To consider and if thought fit, pass with or without any modifications, the following resolutions:

5. **Ordinary Resolution**
   Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

   "**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being and that the Directors be and are also empowered to obtain approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier unless revoked or varied by an ordinary resolution of the Company at a general meeting ("**Mandate**"); **(Ordinary Resolution 5)**

   THAT approval be and is hereby given for the waiver of the pre-emptive rights of the existing shareholders of the Company to be offered new shares in proportion to their shareholdings ranking equally to the existing issued shares of the Company pursuant to Section 85 of the Companies Act 2016 and Clause 65 of the Constitution of the Company arising from any issuance of new shares pursuant to the Mandate;

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

To consider and if thought fit, pass with or without any modifications, the following resolutions (Cont'd):

5. **Ordinary Resolution**
   Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 (Cont'd)

   AND THAT the Board of Directors of the Company be exempted from the obligation to offer such new shares first to the existing shareholders of the Company arising from any issuance of new shares pursuant to the Mandate."

6. To transact any other business of the Company of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board
COMPUGATES HOLDINGS BERHAD

JEREMY TAI YUNG WEI (MAICSA 7065447) (SSM PC No. 202308000580)
THONG PUI YEE (MAICSA 7067416) (SSM PC No. 202008000510)
Company Secretaries
Kuala Lumpur

28 April 2026

Notes:

A. Appointment of Proxy(ies)

(i) A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.

(ii) A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.

(iii) A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.

(iv) Where a member is an Authorised Nominee as defined under The Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. 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 shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

(v) The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, Tricor Drop-in Box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. In the case of electronic appointment, the proxy form must be deposited via *Vistra Share Registry and IPO (MY) portal at https://srmy.vistra.com*. Please refer to the Annexure to the Form of Proxy for further information on electronic submission. All proxy form submitted must be received by the Company not less than 48 hours before the time set for holding the Meeting or any adjournment thereof or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

Notes (Cont'd):

A. Appointment of Proxy(ies) (Cont'd)

(vi) An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.

(vii) In respect of deposited securities, only members whose names appear on the Record of Depositors on 18 May 2026, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

(viii) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in this Notice will be put to vote by way of poll.

Explanatory Note on Ordinary Business

B. Audited Financial Statements for the financial year ended 31 December 2025

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put forward for voting.

C. Ordinary Resolution 1: Payment of Directors' Fees

Section 230(1) of the Companies Act 2016 provides that the Directors' fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors' fees for the financial year ending 31 December 2026.

D. Ordinary Resolutions 2 and 3: Re-election of Directors

Madam Low Geok Eng and Madam Tan Siew Li, who retire by rotation in accordance with Clause 134 of the Company's constitution, being eligible, have offered themselves for re-election as Directors at the 21st AGM of the Company.

For the purpose of determining the eligibility of Madam Low Goek Eng and Madam Tan Siew Li to stand for re-election at the 21st AGM, the Board of Directors, through its Nomination Committee, assessed them and considered the following:

(i) Their performance and contribution;
(ii) Their skills, experience and strength in qualities;
(iii) Their ability to act in the best interest of the Company in decision-making; and
(iv) Their fitness and propriety with reference to the Directors' Fit and Proper Policy.

Madam Low Geok Eng and Madam Tan Siew Li had abstained themselves from all deliberation and decisions on their own respective proposed re-election as Directors at the Board of Directors' Meeting.

E. Ordinary Resolution 4: Re-appointment of Auditors

The Audit Committee ("**AC**") has assessed the objectivity, suitability and independence of the External Auditors and recommended the re-appointment of Grant Thornton Malaysia PLT as External Auditors of the Company for the financial year ending 31 December 2026. The Board has reviewed the recommendation of the AC and recommended the same for the shareholders' approval at the 21st AGM of the Company.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Note on Special Business

F. Ordinary Resolution 5: Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution 5 is proposed pursuant to Sections 75 and 76 of the Companies Act 2016 for the purpose of obtaining a renewed general mandate ("**Renewed General Mandate**"), which if passed, will empower the Directors of the Company to allot and issue new ordinary shares in the Company at any time provided that the aggregate number of ordinary shares issued pursuant to the Renewed General Mandate does not exceed ten per centum (10%) of the total number of issued ordinary shares (excluding treasury shares, if any) of the Company for the time being for such purposes as the Directors deem fit and in the best interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve such an issue of shares. This Renewed General Mandate will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next annual general meeting after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is the earlier. This Renewed General Mandate, if granted, will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

The Ordinary Resolution 5, if passed, would be tantamount to shareholders of the Company agreeing to waive their pre-emptive rights in respect of the allotment and issuance of the new ordinary shares pursuant to the Renewed General Mandate, which will result in a dilution to the shareholders' shareholdings in the Company.

As at the date of this Notice, 550,037,068 new ordinary shares in the Company were issued via a private placement exercise at an issue price of RM 0.009 per share pursuant to the mandate granted to the Directors at the last Annual General Meeting of the Company held on 30 May 2024. The gross proceeds of RM4,950,333 raised from the private placement exercise were utilized as follows:

Utilization of Proceeds as of 27 March 2026

	Proceed Raised (RM'000)	Actual Utilisation (RM'000)	Balance (RM)
Working capital requirements	4,085,706.61	4,085,706.61	–
Expansion of the Group's Property Development	784,627.00	176,600.00	608,027.00
Expenses for Private Placement	80,000.00	58,137.79	21,862.21
Total	4,950,333.61	4,320,444.40	629,889.21

Personal Data Privacy:

By submitting a completed Form of Proxy to the share registrar office of the Company for appointing proxy(ies) or attorney(s) or corporate representative(s) to attend, participate and vote at the 21st AGM and any adjournment thereof, a member of the Company is hereby: (i) consenting 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 proxy(ies) or attorney(s) or corporate representative(s) appointed for the 21st AGM (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the 21st 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) warranting that where the member discloses the personal data of the member's proxy(ies) or attorney(s) or corporate representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) or attorneys(s) or corporate representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) or attorney(s) or corporate representative(s) for the Purposes ("**Warranty**"); and (iii) agreeing 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 the Warranty.

STATEMENT ACCOMPANYING NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING ("21ST AGM")

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

1. No individual is seeking election as a Director of the Company at the 21st AGM.

2. Details of the general mandate to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note F of the Notice of 21st AGM.

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COMPUGATES®

COMPUGATES HOLDINGS BERHAD
Registration No. 200401030779 (669287-H)
(Incorporated in Malaysia)

FORM OF PROXY

(To be completed in Block Letters)

No. of Shares Held	CDS Account No.

*I/We .... NRIC/Passport/Company No. ....
(Full name in Block Letters)

of ....

....
(Full Address)

(Contact No./Email ....) being a *member/members of Compugates Holdings Berhad (Registration No. 200401030779 (669287-H)) ("Compugates" or "the Company"), hereby appoint:

Full Name of Proxy (in Block Letters)	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Contact No.	Email Address		

and (if more than one (1) proxy)

Full Name of Proxy (in Block Letters)	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Contact No.	Email Address		

or failing him/her, THE CHAIRMAN OF THE MEETING as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Twenty-First Annual General Meeting ("21st AGM" or "Meeting") of the Company to be held at Greens III Sports Wing, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Tuesday, 26 May 2026** at **10.00 a.m.** for the following purposes:-

ORDINARY RESOLUTION		FOR	AGAINST
1.	To approve the payment of Directors' fees for the financial year ending 31 December 2026		
2.	Re-election of Madam Low Geok Eng as Director of the Company		
3.	Re-election of Madam Tan Siew Li as Director of the Company		
4.	Re-appointment of Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
5.	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

Please indicate with an "X" in the space above on how you wish to cast your vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit, or at his/her discretion, abstain from voting.

* Delete if not applicable.

Dated this ....day of................................2026

____
Signature(s) of member(s)

Notes:

(i) A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.

(ii) A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.

(iii) A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.

(iv) Where a member is an Authorised Nominee as defined under The Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. 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 shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

(v) The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, Tricor Drop-in Box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. In the case of electronic appointment, the proxy form must be deposited via *Vistra Share Registry and IPO (MY) portal at https://srmy.vistra.com*. Please refer to the Annexure to the Form of Proxy for further information on electronic submission. All proxy form submitted must be received by the Company not less than 48 hours before the time set for holding the Meeting or any adjournment thereof or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

(vi) An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.

(vii) In respect of deposited securities, only members whose names appear on the Record of Depositors on 18 May 2026, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

(viii) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in this Notice will be put to vote by way of poll.

Personal Data Privacy:
By lodging of a completed Form of Proxy to the share registrar office of the Company for appointing proxy(ies) or attorney(s) or corporate representative(s) to attend, participate and vote at the 21st AGM or any adjournment thereof, the member accepts and agrees to the personal data privacy terms as set out in the Notice of 21st AGM dated 28 April 2026.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE SHARE REGISTRAR OF
COMPUGATES HOLDINGS BERHAD
TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Malaysia

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