

Digital Platform **Solution**

- 📶 **Industry** Platform
- 📶 **Customers** Platform
- 📶 **Supplier** Platform
- 📶 **Knowledge based** Platform
- 📶 **Digital Content** Platform
- 📶 **E-Marketplace**
- 📶 **B2B** Platform
- 📶 **Big Data** Platform
- 📶 **Bank Confirmation** Platform

AI + Big Data + Cloud + Security

For your digital platform
project with the advanced
digital platform solutions





CONTENT DELIVERY & A.I. SOLUTIONS



CONNECT END USERS WITH DIGITAL EXPERIENCES ANYWHERE IN THE WORLD WITH OUR CDN

Use our robust connectivity and infrastructure to deliver highly personalized web content, multimedia, software packages and more!

- ✓ Proven technology and infrastructure
- ✓ Tailored for business growth
- ✓ Global coverage
- ✓ GDPR, CCPA, ISO/IEC Compliant

Contact Us

 **+603 2181 3666**

 **www.appasia.com**

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SHOPPING REDISCOVERED

Centerpoint Seremban is a new exciting retail and lifestyle mall designed to provide great exposure for retailers and convenience to shoppers.

Centerpoint Seremban facilitates multiple vehicular ingress/egress with two drop-off points to ensure a hassle-free entry to the mall.

- ✓ Entertainment
- ✓ Lifestyle
- ✓ Leisure
- ✓ Dining



Centerpoint Seremban is strategically located in the central business district of Seremban in one of the most vibrant hubs of the city, and is also the only shopping mall in Ampangan. It's an exciting place for the whole family to shop.



Contact Us

+606-763 9889

info@centerpointseremban.com

www.centerpointseremban.com



LEASING INQUIRIES:

+60 111 9300 000



 **PEGASUS HEIGHTS BERHAD**

1-40-2, Menara Bangkok Bank,
Berjaya Central Park, No. 105 Jalan Ampang,
50450, Kuala Lumpur.
Tel: +603-2181 3553
Email: info@pegasusheights.com



MALL ADDRESS:

Centerpoint Seremban,
33, Jalan Dato Siamang Gagap,
Betaria Business Centre,
70100 Seremban, Negeri Sembilan.
Tel: +606-763 9889 | Fax: +606-763 9998
Email: info@centerpointseremban.com



FREEHOLD

Designed for Business Success Unparalleled Opportunity

**LIMITED UNITS
ONLY**



- Restaurant & Deli • Bakeries • Convenient Store • Optical Shops • Music Stores • Banks & Offices • Bridal Shops
- Book & Stationery Stores • Art & Curio Shops • Dental & Medical Clinic • Pharmacies • Beauty & Hair Salons

2 & 3 Storey Shop Office • 22' x 70'

Immerse yourself in a harmonious fusion of contemporary design and practicality. Our shop offices are thoughtfully crafted to exude elegance while maximizing functionality. Each space showcases modern aesthetics and flexible layouts, allowing you to create an environment that reflects your brand identity and accommodates your unique business requirements. From ample parking facilities to cutting-edge technology infrastructure, we have anticipated your needs, ensuring you can focus on achieving your business goals.



GREAT AMENITIES

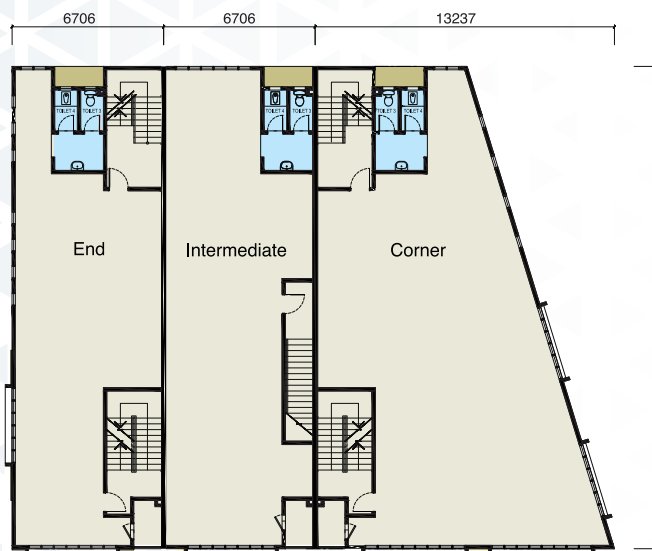
- Next to Drive Thru Restaurant
- 1 KM to KTM Station
- Near to Kuala Kubu Bharu Town

PRACTICAL INVESTMENT

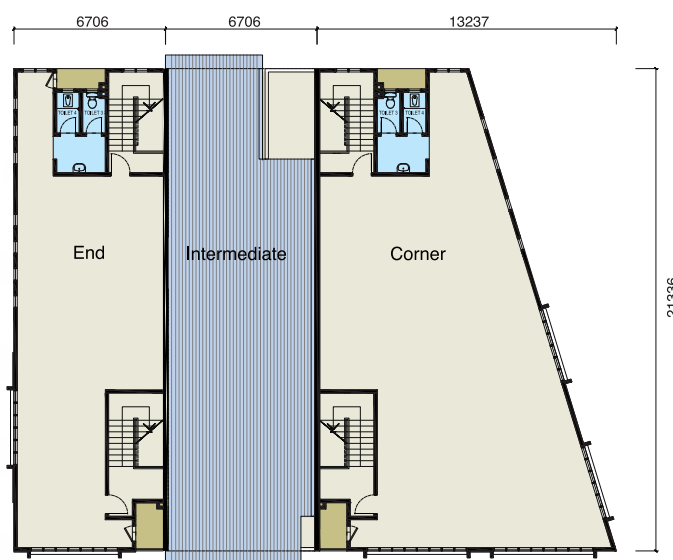
- Excellent appreciation potential
- Spacious and liberal layout
- Ample Car Park spaces



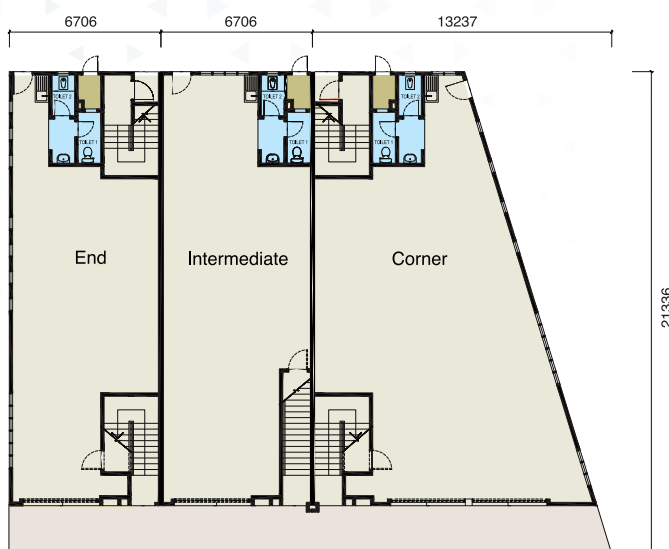
FLOOR PLAN



First Floor



Second Floor



Ground Floor



* All photos are artist impression only

Developer:



IRAMA SETIA SDN BHD
(1452026-T) (A member of Sinmah Capital Berhad)
A1-13A-15, Arcoris, No 10 Jalan Kiara, Mont Kiara,
50480 Kuala Lumpur, Malaysia

www.sinmah.com.my

03-6414 3101
011-1126 2828



Alami Gaya Hidup Santai, Damai dan Tenang



HAK MILIK KEKAL



Rumah Teres Dua Tingkat 20' x 70' 4 Bilik Tidur / 3 Bilik Mandi

LAMAN LENTERA, bertemakan konsep senibina kontemporari dengan daya tarikan yang santai dan tenang, setiap rekabentuk direka dengan teliti bagi memenuhi setiap keperluan ruang kediaman.

Terletak di lokasi utama Bandar Kuala Kubu Bharu, rumah impian anda di **LAMAN LENTERA** menawarkan kediaman yang seimbang dan sempurna.

CIRI-CIRI:

- Suasana yang tenang dengan kepadatan yang rendah
- Ruang yang luas dan rekabentuk yang praktikal
- Gaya moden kontemporari dan estetika

KEMUDAHAN DAN FASILITI:

- Berhampiran kedai dan restoran pandu lalu
- Hanya 1 kilometer daripada Stesen Komuter
- Berdekatan dengan Bandar Kuala Kubu Bharu



PELAN LANTAI



Tingkat Atas



Tingkat Bawah

SPESIFIKASI

STRUKTUR	: Konkrit Tetulang
DINDING	: Batu-Bata
PERLINDUNGAN BUMBUNG	: Jubin Bumbung / Bumbung Konkrit
SILING	: Lapisan Skim / Kepingan Siling
TINGKAP	: Tingkap Kaca Berbingkai Aluminium

PINTU	
Pintu Masuk	: Pintu Kayu
Bilik Tidur	: Pintu Kayu
Halaman Belakang	: Pintu Kayu
Bilik Mandi	: Pintu Kayu
Utiliti	: Pintu Kayu
Ruang Makan	: Pintu Gelangsar Berbingkai Aluminium
(Lot Tepi / Hujung Sahaja)	

KUNCI	: Set Kunci Berkualiti
-------	------------------------

KEMASAN DINDING	
Dinding Luaran	: Cat
Dinding Dalam	: Cat
Dapur / Bilik Mandi	: Jubin Setinggi 1500mm / Cat
Bilik Mandi Utama	: Jubin Setinggi Siling / Cat

KEMASAN LANTAI	
Ruang Tamu / Makan / Dapur	: Jubin
Bilik Tidur (Ara Belakang)	: Jubin
Bilik Tidur (Ara Atas)	: SPC
Bilik Mandi	: Jubin
Tangga	: SPC
Bilik Utiliti / Apron	: Lepas Simen
Anjung kereta	: Lepas Simen
Teras (Lot Tepi / Hujung Sahaja)	: Jubin

KELENGKAPAN SANITARI	
Mangkuk Tandas, Sinki Cuci Tangan, Pancur Mandi & Sinki Dapur	

PEMASANGAN PUNCA ELEKTRIK	
Punca Kuasa Soket 13Amp, Punca Kuasa Lampu, Punca Kipas, Punca Penghawa Dingin, Punca Pemanas Air & Punca MATV	

PEMASANGAN PUNCA TELEFON	: Soket Dinding Fiber
--------------------------	-----------------------

PAGAR	: Batu-bata / Pagar Dawai Berangkai
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PELAN TAPAK

- Rumah Teres Dua Tingkat 20' x 70'
- Kedai Pojokat 22' x 70'
- Restoran Drive Thru

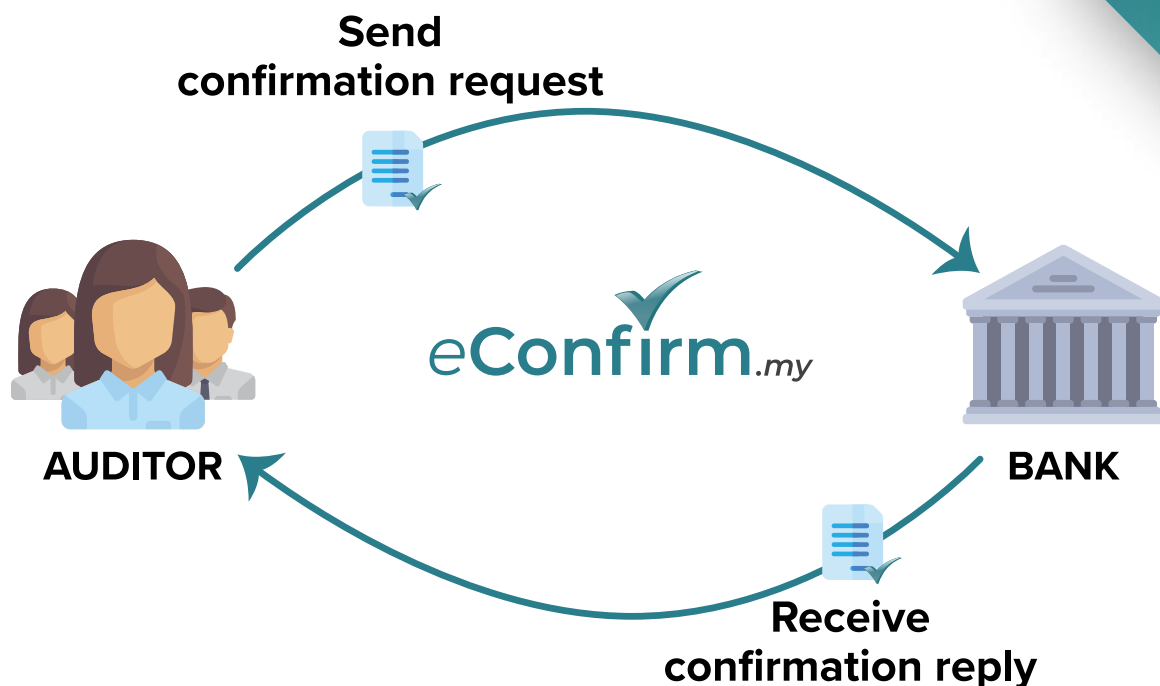
011-1126 2828 • 03-6414 3101 www.sinmah.com.my

PEMAJU:



IRAMA SETIA SDN BHD
(1412126-1) (Via Kumpulan Sinmah Capital Berhad)
A1-13A-15, Ancoris, No 10 Jalan Kara, Mont Kiara,
50480 Kuala Lumpur, Malaysia

No. Lesen Pemaju: 3054308-2026122009 • Tempoh Sah: 24/06/2023 - 23/06/2028 • No. Perseh Bilan dan Jualan: 20243 1/12 20251/27701/1 • Tempoh Sah: 14/12/2023 - 13/12/2025 • Pengangan Tanah: Rebas Selesai (selepas) • Rebas (sebelum) Tanah: Rebas • Tanah Diangka Sur: Disember 2025 • Fikah Bersemas: Majlis Perbandaran: Majlis Perbandaran (MPP) • No. Kijang Bagi: Peta: Bersemas 88/12333M MPV: 431/1155702/351/8 • Jarak Rumah: Rumah Teres 2 Tingkat (70' x 70') • Jumlah Unit: 32 Unit • Harga: RM 595,000.00 (Maj) • RM 599,250.00 (Maj)



Industry-wide Electronic Bank Confirmation Platform



Enhance Security



Reduce Fraud Risk



Minimise Human Error



Time Saving



Cost Saving

Developed by:



In collaboration with:

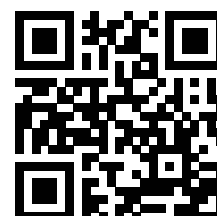
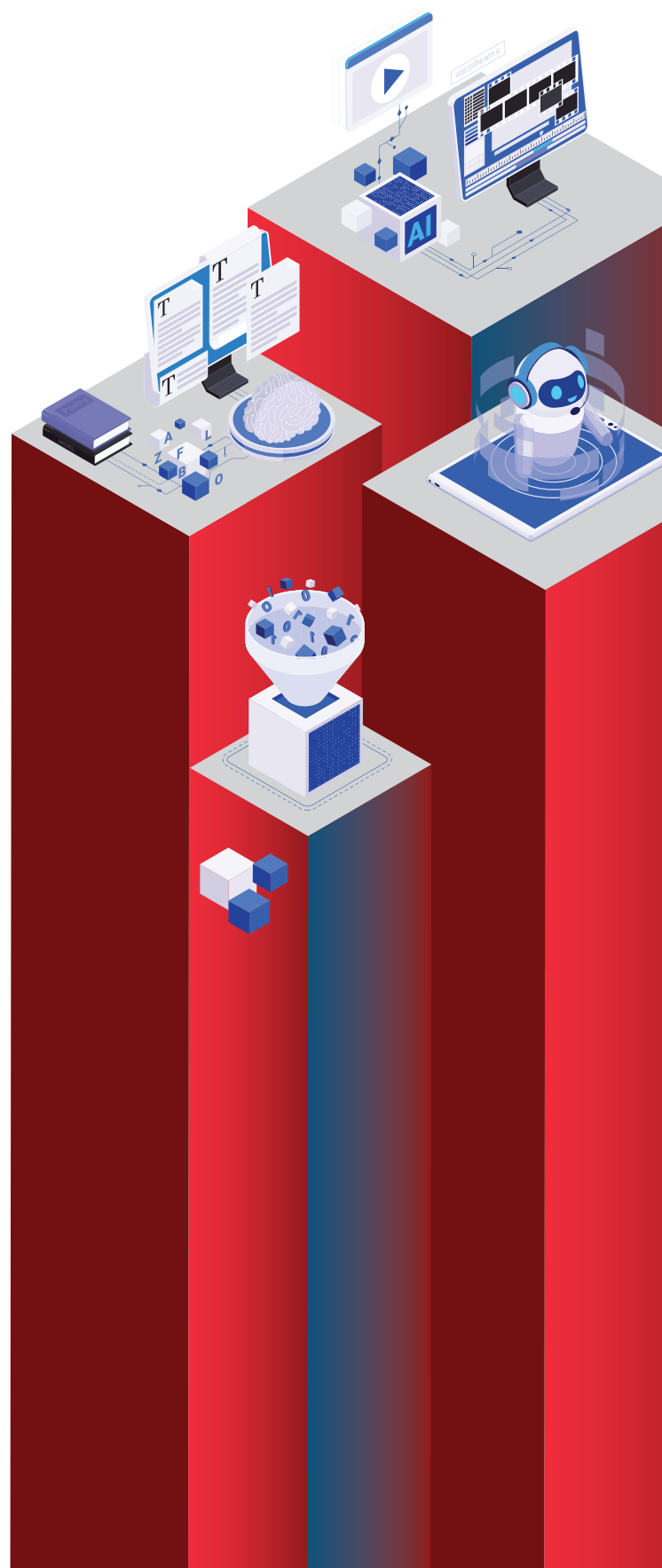


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CORPORATE INFORMATION



BOARD OF DIRECTORS

**DATUK SERI RAHADIAN
MAHMUD BIN MOHAMMAD
KHALIL**

(INDEPENDENT NON-
EXECUTIVE CHAIRMAN)

TOH HONG CHYE
(EXECUTIVE DIRECTOR)

WONG NGAI PEOW
(EXECUTIVE DIRECTOR)

YONG MAI FANG
(EXECUTIVE DIRECTOR)

YEONG SIEW LEE
(INDEPENDENT NON-
EXECUTIVE DIRECTOR)

TIEW CHEE MING
(INDEPENDENT NON-
EXECUTIVE DIRECTOR)

AUDIT COMMITTEE

Tiew Chee Ming (Chairman)
**Datuk Seri Rahadian Mahmud
bin Mohammad Khalil**
Yeong Siew Lee

REMUNERATION COMMITTEE

Yeong Siew Lee (Chairperson)
**Datuk Seri Rahadian Mahmud
bin Mohammad Khalil**
Tiew Chee Ming

NOMINATION COMMITTEE

Yeong Siew Lee (Chairperson)
**Datuk Seri Rahadian Mahmud
bin Mohammad Khalil**
Tiew Chee Ming

SHARE ISSUANCE SCHEME ("SIS") COMMITTEE

Toh Hong Chye (Chairman)
Wong Ngai Peow
Yong Mai Fang

COMPANY SECRETARY

Chin Wai Yi
(SSM PC No. 202008004409/
MAICSA 7069783)

REGISTERED OFFICE

E-10-4, Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia
Tel No. : +603-2181 0516
Fax No. : +603-2181 0516
Website : www.gapadvisory.my
Email : office@gapadvisory.my

HEAD OFFICE

1-40-1, Menara Bangkok Bank
Berjaya Central Park
No. 105 Jalan Ampang
50450 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia
Tel No. : +603-2181 3666
Website : www.appasia.com

AUDITORS

Messrs TGS TW PLT (AF002345)
Unit E-16-2B, Level 16
Icon Tower (East)
No. 1, Jalan 1/68F
Jalan Tun Razak
50400 Kuala Lumpur
Tel No. : +603-9771 4326
Fax No. : +603-9771 4327

PRINCIPAL BANK

CIMB Bank Berhad

SHARE REGISTRAR

GAP Advisory Sdn. Bhd.
E-10-4, Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia
Tel No. : +603-2181 0516
Fax No. : +603-2181 0516
Website : www.gapadvisory.my
Email : ir.shareregistry@gapadvisory.my

COMPANY SOLICITORS

Messrs David Lai & Tan
Level 8-3 & 8-4
Wisma Miramas
No. 1 Jalan 2/109E
Taman Desa
Jalan Klang Lama
58100 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia
Tel No. : +603-7972 7968
Fax No. : +603-7972 7967

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad
Stock Name : APPASIA
Stock Code : 0119

CORPORATE STRUCTURE



100%

AppAsia Cloud Sdn. Bhd.

Registration No.: 200201029038 (596701-T)

100%

AppAsia International Sdn. Bhd.

Registration No.: 201401048174 (1124363-T)

100%

AppAsia Mall Sdn. Bhd.

Registration No.: 201501001967 (1127299-V)

100%

AppAsia Tech Sdn. Bhd.

Registration No.: 201401032246 (1108330-W)

100%

Extol Corporation Sdn. Bhd.

Registration No.: 198401008616 (121135-U)

100%

AppAsia Marketing Sdn. Bhd.

Registration No.: 200401008898 (647402-P)

100%

AppAsia Capital Sdn. Bhd.

Registration No.: 201601006950 (1177878-D)

70%

AppAsia Stream Sdn. Bhd.

Registration No.: 202001022393 (1378713-V)

DIRECTORS' PROFILES

DATUK SERI RAHADIAN MAHMUD BIN MOHAMMAD KHALIL

Independent Non-Executive Chairman

Age

51

Nationality

Malaysian

Gender

Male

Date of Appointment

24 July 2014

Board Committee membership

Member of the Audit Committee

Member of the Remuneration Committee

Member of the Nomination Committee

Qualification, Working Experience and Occupation

Datuk Seri Rahadian Mahmud bin Mohammad Khalil holds a Degree in Civil Engineering from Queen Mary College, University of London in 1996.

He has vast experience in businesses under various industries throughout his career with active participation in reforestation, construction, property development, timber and manufacturing sectors.

From 2005 to 2017 he was the Executive Chairman of Per maju Industries Berhad, an investment holding and provision of management services company.

He was a Non-Executive Director of Magna Prima Berhad from July 2007 to May 2011.

Subsequently, he was re-designated to Executive Director on 12 May 2011 and from 14 April 2014 to 15 July 2021 he was the Group Managing Director.

Directorship of public companies and listed issuers

- Sinmah Capital Berhad (Executive Chairman)

Family relationship with any director and/or major shareholder of the listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILES (CONT'D)

WONG NGAI PEOW

Executive Director

Age

49

Nationality

Malaysian

Gender

Male

Date of Appointment

28 May 2014

Board Committee membership

Member of the Share Issuance Scheme Committee

Qualification, Working Experience and Occupation

Wong Ngai Peow (Calvert) holds a Bachelor Degree in Information Technology and Business Management from the University of Malaya.

Starting as a system analyst and technopreneur, Calvert has more than 20 years of in-depth professional experience in the Information Technology ("IT") industry. He founded and grew some IT startups to successful ventures, including winning The Star's Outstanding Business Award as Best ICT Company in Malaysia in 2010.

Throughout many years of IT industry experience, Calvert has implemented various projects across different industries ranging from public sector, finance, insurance, telco, to retail companies in the region.

His portfolio includes the successful implementation of fintech, online trading system, e-media, e-insurance, bonds information system, B2C2C e-commerce portal, mobile applications, payment gateway system, cybersecurity solutions, business process integration, social platforms and cloud solution.

Calvert is also the key founding member leading the success of the industry-wide electronic bank confirmation platform, eConfirm.

He is currently spearheading AppAsia Group's overall IT business development and product development.

Directorship of public companies and listed issuers

Nil

Family relationship with any director and/or major shareholder of the listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILES (CONT'D)

TOH HONG CHYE

Executive Director

Age

49

Nationality

Malaysian

Gender

Male

Date of Appointment

24 July 2014

Board Committee membership

Chairman of the Share Issuance Scheme Committee

Qualification, Working Experience and Occupation

Toh Hong Chye holds a Master in Business Administration in Finance from the International Islamic University Malaysia. He is also a Chartered Accountant, a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants.

He founded H.C. Toh & Co., a non-audit firm involved in company secretary, accounting and business advisory services for companies from various industries. His experience covers audit and assurance engagements, corporate reporting and compliance, taxation and wide-ranging overseas exposures. He had been involved in the successful implementation of several corporate exercises which include merger and acquisition and corporate debt restructuring exercises undertaken by private and public listed companies.

Directorship of public companies and listed issuers

- Pegasus Heights Berhad (Executive Director)
- Sinmah Capital Berhad (Executive Director)

Family relationship with any director and/or major shareholder of the listed issuer

- Spouse to Yong Mai Fang, the Director and Shareholder of the Company
- Director and Shareholder of Richmond Virginia Tobacco Sdn. Bhd., the major shareholder of the Company

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILES (CONT'D)

YONG MAI FANG

Executive Director

Age

48

Nationality

Malaysian

Gender

Female

Date of Appointment

1 March 2018

Board Committee membership

Member of the Share Issuance Scheme Committee

Qualification, Working Experience and Occupation

Yong Mai Fang is a Chartered Accountant, a fellow member of the Association of Chartered Certified Accountants and also a member of the Malaysian Institute of Accountants.

She was the Audit Branch Manager of B. L. Tan & Co. for 10 years. She primarily oversees and manages audit, taxation and other assurance services required by the clients.

She has more than 15 years of experience in accountancy and business advisory services. Her experience covers various sector comprising property development, construction, investment holding, leisure management, servicing and trading.

Based on her vast experience and knowledge, she shall be able to provide her management expertise and skills in assisting the Company to develop and grow to a higher level.

Directorship of public companies and listed issuers

Nil

Family relationship with any director and/or major shareholder of the listed issuer

- Spouse to Toh Hong Chye, the Director and Shareholder of the Company
- Director and Shareholder of Richmond Virginia Tobacco Sdn. Bhd., the major shareholder of the Company

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILES (CONT'D)

YEONG SIEW LEE

Independent Non-Executive Director

Age

46

Nationality

Malaysian

Gender

Female

Date of Appointment

8 June 2022

Board Committee membership

Chairperson of the Nomination Committee
Chairperson of the Remuneration Committee
Member of the Audit Committee

Qualification, Working Experience and Occupation

Yeong Siew Lee is a Chartered Accountant and also a member of the Malaysian Institute of Accountants (MIA). She began her career with GHL Systems Berhad (GHL), a company listed on the Main Market of Bursa Malaysia Securities Berhad, as an Assistant Accountant in 2003 and moved up the ranks and became Head/Assistant General Manager of Finance in 2008 to supervise the company's local and overseas accounting teams. She left GHL in August 2009 to venture into business in the consumer and architectural industry and was working as a finance adviser for SMR HR Group Sdn Bhd.

Directorship of public companies and listed issuers

- Pekat Group Berhad (Independent Non-Executive Director)
- Sinmah Capital Berhad (Independent Non-Executive Director)
- TFP Solutions Berhad (Independent Non-Executive Director)

Family relationship with any director and/or major shareholder of the listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILES (CONT'D)

TIEW CHEE MING

Independent Non-Executive Director

Age

35

Nationality

Malaysian

Gender

Male

Date of Appointment

1 March 2018

Board Committee membership

Chairman of the Audit Committee

Member of the Nomination Committee

Member of the Remuneration Committee

Qualification, Working Experience and Occupation

Tiew Chee Ming is a Chartered Accountant, a fellow member of the Association of Chartered Certified Accountants and also a member of the Malaysian Institute of Accountants.

He started his career with Sersol Berhad as an internal auditor in 2014 and was later promoted to Group Accountant in year 2016 to oversee the Group financial reporting and functions. Subsequently, he was promoted to Chief Financial Officer of Sersol Berhad on 9 February 2018 to 25 August 2021.

Directorship of public companies and listed issuers

Nil

Family relationship with any director and/or major shareholder of the listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

PROFILES OF KEY SENIOR MANAGEMENT

LOKE BAN YEE TECHNICAL LEAD, E-MEDIA

Age
37

Nationality
Malaysian

Gender
Female

Date of Appointment
1 July 2014

Qualification, Working Experience and Occupation

Loke Ban Yee graduated from Universiti Putra Malaysia with a First-class Degree in Bachelor of Computer Science.

She joined the Company as an Application Solution Architect and was subsequently promoted to Technical Lead on 1 April 2019. She is currently leading the research and development of the digital media technology for the Company.

She has over 10 years of technical experience in the Information Technology industry, with specialised experience in advanced system engineering, design, development as well as technical team management.

Directorship of public companies and listed issuers

Nil

Family relationship with any director and/or major shareholder of the listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

YONG KIN SHENG DIRECTOR OF SUBSIDIARY/EXECUTIVE PRODUCER

Age
31

Nationality
Malaysian

Gender
Male

Date of Appointment
10 August 2020

Qualification, Working Experience and Occupation

Yong Kin Sheng studied Bachelor in Cinematic Arts at Multimedia University. He joined the Company as an Executive Producer, currently leading project operations and managing marketing strategy under the video production division of the Company.

He has over 10 years of experience in video production industries, having involved on major commercial productions such as BMW, AirAsia, Mitsubishi and international Netflix drama production. He specializes in directing and producing creative commercial videos.

Directorship of public companies and listed issuers

Nil

Family relationship with any director and/or major shareholder of the listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis ("MD&A") aims to assist the readers in understanding the results of operations and financial condition of AppAsia Berhad ("AppAsia") and its subsidiaries ("the Group"). It contains data derived from our audited financial statements and factual statements on how the Group addresses business conditions, future plans, relevant risks, foreign exchange fluctuations, impact of inflation and other economic uncertainties.

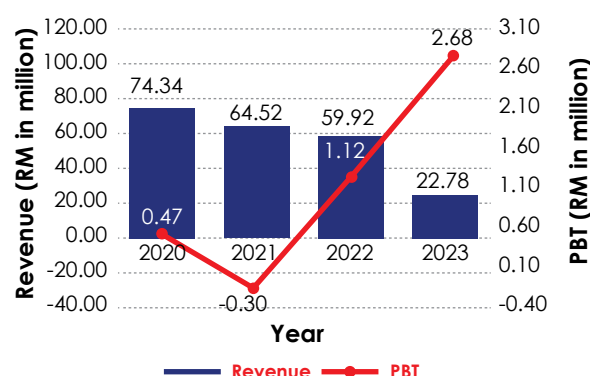
The MD&A should be read in conjunction with our financial statements and the accompanying Notes to the Financial Statements.

1) GROUP BUSINESS OPERATIONS AND PERFORMANCE

AppAsia is principally engaged in the activities of investment holding and management services. The Group's businesses are categorised into four segments, namely Digital Solutions, E-Commerce, Financial Services and Others. There are eight subsidiaries under the Group as follows:

No.	Companies	Ownership
1.	AppAsia Capital Sdn. Bhd.	100%
2.	AppAsia Cloud Sdn. Bhd.	100%
3.	AppAsia International Sdn. Bhd.	100%
4.	AppAsia Mall Sdn. Bhd.	100%
5.	AppAsia Marketing Sdn. Bhd.	100%
6.	AppAsia Tech Sdn. Bhd.	100%
7.	Extol Corporation Sdn. Bhd.	100%
8.	AppAsia Stream Sdn. Bhd.	70%

Revenue & PBT Comparison Year 2020-2023

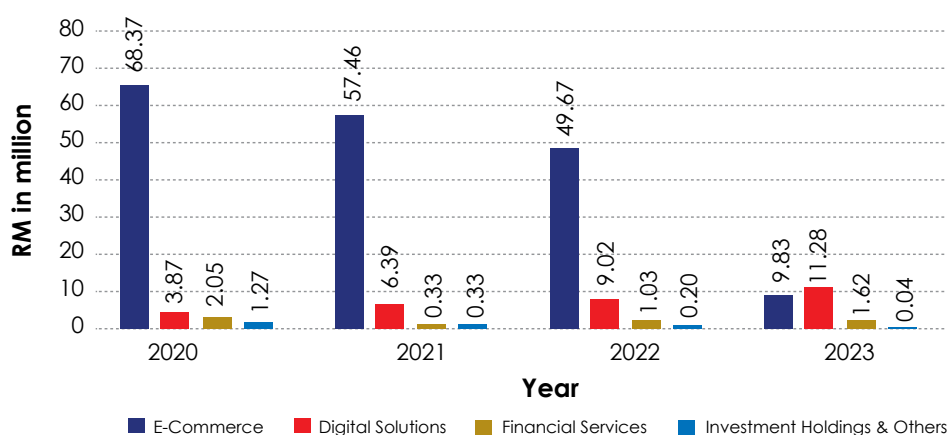


In the financial year ended 31 December 2023 ("FYE2023"), despite the local and global economy uncertainties, the Group managed to maintain its profitability since 2022 and further increase its profit before taxation ("PBT") by 139% to RM2.68 million as compared to RM1.12 million as recorded in the financial year ended 31 December 2022 ("FYE2022"). The increase of revenue and profit margin in Digital Solutions and Financial Services business segments are the major contributor to the Group's overall profit.

However, the Group's overall revenue in FYE2023 decreased to RM 22.78 million from RM59.92 million in FYE2022. This was mainly due to the decrease of Business-to-Business ("B2B") e-commerce transactions.

The financial performance and business operation of each business segment of the Group are explained below.

Segmental Revenue Comparison for Year 2020-2023



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

1) GROUP BUSINESS OPERATIONS AND PERFORMANCE (Cont'd)

a) Digital Solutions Business

The Group's Digital Solution business continued to grow and perform well with its revenue increased by 25.06% from RM9.02 million (FYE2022) to RM11.28 million (FYE2023). The Digital Solutions business segment contributed PBT of RM1.77 million.

The major reason for the growth was attributed to the better performance of the Group's electronic bank confirmation platform, eConfirm. The bank confirmation transactions in FYE2023 increased by more than 100% compared to FYE2022. Almost all of the local audit firms, including Jabatan Audit Negara ("JAN") and Institute of Cooperative & Management Auditors ("ICMA"), and 30 financial institutions participated in the eConfirm platform as at 31 December 2023.



Signing Ceremony with JAN



Signing Ceremony with ICMA

b) E-Commerce Business

Revenue from the E-Commerce business decreased by 80.21% from RM49.67 million (FYE2022) to RM9.83 million (FYE2023). This decrease in revenue was due to stiff competition from other e-Marketplaces and B2B competitors. The E-Commerce business segment contributed PBT of RM0.12 million.

c) Financial Services Business

Revenue from the Financial Services increased by 57.28% from RM1.03 million (FYE2022) to RM1.62 million (FYE2023). The Financial Services business segment contributed PBT of RM0.91 million.

d) Investment Holding and Other Businesses

The Group is also involved in investment holding and other businesses, namely Information Technology ("IT") Security and IT training. The revenue for this segment decreased from RM0.20 million (FYE2022) to RM0.04 million (FYE2023).

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

2) IDENTIFIED RISKS AFFECTING GROUP PERFORMANCE

The Group is operating in the IT industry that is constantly evolving and challenging. Frequent changes in technology and consumers' demand require our expertise in creating innovative and sustainable solutions to stay ahead of our competitors, at home and abroad. Besides, the Group is also involved in the finance industry through the moneylending business that may be associated with credit risks.

The identified risks affecting Group performance are:

a) Credit risk

The Group's credit risks primarily comprise trade for the B2B e-commerce services and receivable of the financial services. Credit risks are managed through credit checks using the services of credit reporting and checking agencies. Credit risks are also minimised through selective interaction and association with creditworthy business partners.

In FYE2023, the Group continues to adopt stringent credit control procedures. Long outstanding trade receivables, considered as high exposures to risk dependency, were monitored on a regular basis.

b) Technology obsolescence risk

Our Group is highly dependent on the IT technology development for future growth and survival as our products and services are based on technological advantages. Technology obsolescence risk shall be significant to the Group if the process, product, or technology used or produced by the Group for profit may become obsolete, and thus no longer competitive in the marketplace. This would significantly reduce the profitability of the Group.

In order to minimise this risk, the Group shall maintain its commitment to invest in research and development ("R&D") to ensure the Group's products and technology remain competitive in the industry.

c) Competition risk

The competitions in the IT solution market are typically from major local and foreign applications developers. Some major companies hire their own in-house IT team for the development of their digital solutions.

To overcome this challenge, we ensure our solutions are beneficial and cost effective to our customers and partners. We shall be committed to provide advanced solutions as well as dedicated services. As such, the Group continues to enhance our digital solutions and services to maintain our competitiveness in the industry. Our proven track record and customers' success stories provide us with an edge over many other competitors.

d) Professional liability risk

Our professional services, software and hardware solutions are important to ensure the smooth operations of our businesses. Such solutions may be susceptible to system disruption such as virus attack and software or hardware malfunction. Unless rectified timely, this may cause disruption to our customers' operations and may lead to reputation damage, loss of client or legal claims from our customers. We may also incur additional costs to remedy the problems faced by our customers. Our Group provides our customers with limited services warranty and liability. To mitigate our professional liability risk, we have in place quality control procedures and maintain good business relationship with our partners to secure on-time support services.

3) FACTORS AFFECTING GROUP'S RESULTS

Our Group's financial condition and results of operations are subjected to several key factors set out below:

a) Technological Advancements or Developments

Our Group's competitive edge depends substantially on our ability to anticipate and keep ahead of technological advancements to address our customers' needs.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

3) FACTORS AFFECTING GROUP'S RESULTS (Cont'd)

a) Technological Advancements or Developments (cont'd)

Information technological advancements are often rapid and volatile. Our R&D team aims to remain "ahead of the curve" by:

- i. continuously enhancing existing technology and applications as part of our continuous improvement efforts in line with market demands; and
- ii. developing new technology for new solutions to keep pace with the latest advancement especially in the 5G networks, artificial intelligence ("AI"), blockchain, virtual reality ("VR"), machine learning ("ML") and big data technologies.

Our Group aims to produce advanced and innovative products within budget and on timely basis, to consolidate our position as a key player in the IT industry.

b) Dependency on Major Contracts

No assurance can be given that the loss of major contracts will not materially affect our Group's business, operating results and financial position. The management shall continue to diversify its clients' base to reduce over-reliance on few major clients.

c) Cybersecurity and System Disruptions

We are principally operating in a highly technology-driven environment, which is susceptible to various cybersecurity and system disruption risks that may impact the Group's revenue, which is further explained in detail in the Sustainability Statement section.

d) Downturn of Other Related Industries

Although the Group is in its effort to diversify its business segments and customers categories across different industries, the economic downturn of other related industries, which our customers or partners are involved in, may indirectly or directly hamper the Group's earnings.

e) Changes on any Acts, Tax, Regulations or Policies

The Group's performance may be affected positively or negatively with any changes to the relevant legal acts, tax regimes, data protection acts, local regulations, industry compliance standards or any other related policies.

f) Impact of Global Crisis

The Group's performance may be affected by the global pandemic or possibly economy recession. The management shall work on the best strategy to expand cautiously while enhancing the Group's operation and performance.

4) PROSPECTS AND OUTLOOK

According to a report from Grand View Research, the global IT professional services market size was valued at USD 870.05 billion in 2023 and is expected to grow at a compound annual growth rate (CAGR) of 9.5% from 2024 to 2030. (<https://tinyurl.com/2s48cupa>)

As such, the Group remains optimistic on the outlook of the Information and Communication Technologies ("ICT") industry. It is committed to pursuing opportunities in both our existing and new business sectors including the government, blockchain, fintech, artificial intelligent, big data and cloud services. In this environment, there is significant potential for the Group to be a leading innovation and transformation partner for all clients.

With the encouraging performance in FYE2023, the Group is cautiously optimistic about the group's business performance in near future. The management is especially confident about the growth of eConfirm platform, which has become one of the major digital platforms across the financial and audit industry in the country. Indeed, the platform has proven its significance to improve security and efficiency, while reducing the processing time and costs for the secured confirmation processes. The transaction volume of eConfirm is expected to grow in FYE2024.

With this success, the management plans to extend the platform offerings to global users in 2024. There is also potential to expand its product offerings to the legal and government confirmation sectors in near future. The management shall also continue to explore other global business opportunities that can contribute positively to the Group's revenue.

CORPORATE SUSTAINABILITY STATEMENT

Today's astounding rate of innovation is driven by technology solutions that speed up processing of information. AppAsia Berhad ("**AppAsia**") and its subsidiaries (collectively known as the "**Group**") continue to deliver products that push technological capabilities forward by fast-tracking the business' progress. We are moving swiftly to advance positive influences on the people and the planet, investing in the best talent, reducing the environmental impact of our operations, sourcing product inputs responsibly and sharing our success with our communities. As a company and a corporate citizen, AppAsia is keeping pace with the rapid change and finding more ways to accelerate sustainability and enrich life.

Reporting Scope and Framework

This sustainability statement covers the Group's operations for the financial reporting period from 1 January 2023 to 31 December 2023 ("**FYE2023**").

The statement is prepared in compliance with the ACE Market Listing Requirements ("**AMLR**") and preparation is according to the Sustainability Reporting Guide (3rd Edition) under Bursa Malaysia Securities Berhad ("**Bursa Securities**").

Governance Structure

The Board of Directors ("**Board**") of AppAsia considers economic, environment, social and governance issues such as fraud, corruption and bribery, environment, health and safety, when determining the nature and extent of material risks that AppAsia is willing to take to achieve its business strategies and objectives.

The Board is committed to the highest level of corporate governance and transparency in the execution of policies and processes as these are the fundamental management and operational protocols of AppAsia. This is founded on the belief that good governance is essential in building trust and confidence with stakeholders which ultimately determines the success of the business.

Guided by the company's core values, AppAsia builds and maintains a strong organisational culture to guide employees in making the right business decisions.

Stakeholders Engagement

Stakeholders, both internal and external, drive our business success. We take measures to understand our local impacts which may affect our operations, products, environment and society.

AppAsia continuously engages with key stakeholders based on their material relationship to our operational success and our potential to affect them through our operations. The following table summarises the forms of our engagement with different stakeholders.

Stakeholders	Forms of Engagement	Frequency	Engagement focus / objectives
Employees	<ul style="list-style-type: none"> Ongoing supervisor interactions Training Meetings hosted by senior leaders 	Ongoing	To create a culture in which all employees contribute to our success.
Customers	<ul style="list-style-type: none"> Regular meetings Complaints or feedbacks Customer requirement documents 	Ongoing	To understand how we are performing from our customers' perspectives and build industry consensus on social and environmental issues.
Shareholders	<ul style="list-style-type: none"> Annual General Meeting Quarterly financial reports Announcements to Bursa Securities Annual Reports and Circulars Company's website 	Ongoing	To foster transparency and ensure we are meeting the needs of our shareholders and investors.

We provide latest Group information to our stakeholders through our company's website that also serves as a communication channel with our stakeholders.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

AppAsia's Role in Cultivating Interest in Sports Development

Together with Majlis Sukan Negara Malaysia and Malaysia Swimming Federation, the Group had contributed in promoting open water swimming to the general public by sponsoring the 1st South East Asian Open Water Swimming Championship 2023 held on 1 February 2023 to 4 February 2023 in Putrajaya. Through our involvement in the event, we hope to spread awareness and knowledge on open water swimming and also to raise the standard of our South East Asia competitive swimmers to be comparable to the world.



In addition, AppAsia had also sponsored, through Student Social Welfare Organization, a badminton tournament held in Klang from 24 July 2023 to 27 July 2023 organised by Majlis Sukan Sekolah Selangor. Through the sponsorships, we hope to display our commitment in supporting the sports development in the country and also encourage the younger generations to take part in sports activities.



Economic

The Group conducted a review for FYE2023 and determined that the following three (3) material sustainability matters ("**Material Matters**") remain relevant to AppAsia:

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Economic (Cont'd)

a) Industry Impact and Client Relationship

At a time where customers' expectations and the industry competitions are ever growing, the Group strives to cater to customers' different needs and expectations and constantly look for ways to improve the quality of experience for its customers. While maintaining good partnership with our customers, the Group shall be committed to provide high quality digital solutions that are cost-effective and in trend with the latest industry requirements.

b) Intellectual Property and Technology

Intellectual Property ("IP"), or the value of knowledge created, acquired and repositioned for application, is integral to the Group's strategy formulation. It provides us with a competitive edge to achieve success in the dynamic and competitive Information Technology ("IT") industry.

The Group embraces and leverages technology to enhance our business performance and competitive advantage, and safeguard against potential disruption to the business.

c) Cybersecurity and System Interruption

As a provider of technology services, products and solutions, safeguarding confidential information is paramount in building and maintaining trust with our customers and stakeholders. We conduct our business in compliance with data protection laws and standards such as the Personal Data Protection Act 2010.

With the increasing prevalence and complexity of cyber-attacks and personal data theft, AppAsia adopts a holistic and risk-based framework to safeguard confidential information. The Group is guided by policies and standard operating procedures ("SOP") which prescribe measures to securely receive, handle and store confidential information in secure storage facilities. In addition to that, the Group's IT department regularly monitors and makes improvements to our IT infrastructure, systems and SOPs to safeguard confidential information.

The Group maintains a high standard of IT control and compliance by establishing a clear information and communication technology security policy. In addition, the Group also develops the information security management system (ISMS) framework according to ISO 27001 and other information security management quality standards.

Environmental

The Group believes that the efficient use of resources is essential for sustained economic growth. We have therefore instituted a systematic approach towards integrating practices for resource use efficiency into our operations. We have since implemented energy efficiency initiatives such as reminders for employees to switch off office lights and air conditioners when not in use, thus further reducing unnecessary electricity consumption.

(a) Energy Consumption

In FYE2023, electricity consumption within the Group increased from 70,000 kW to 88,000 kW mainly due to increase in headcount in the Group.

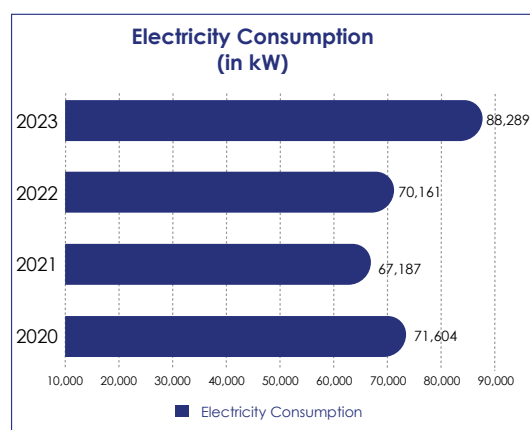


Table 1.0

(b) Carbon Footprint

Being involved in the IT sector, our business operations require certain amount of energy to keep our servers running. In order to compensate emissions generated in the process, we are putting in effort to help the country to reduce greenhouse gases emission and progress into a "paperless" future.

Our industry-wide electronic bank confirmation platform, eConfirm.my, which facilitates the audit process for auditors and banks through electronic confirmations, can significantly reduce postage costs. Without the need to courier confirmation letters between banks and auditors, usage of envelopes and wastage resulting from missing parcels can be greatly reduced. In addition, our e-media digital platforms promote the use of mobile applications to access latest news and thus, lowering the demand for printed newspapers.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Environmental (Cont'd)

(b) Carbon Footprint (Cont'd)

We have practice in place to minimise emissions through secured remote access to our clients which requires little to no travelling in case servicing is needed. In return, we hope that our effort can reduce our carbon footprint and thus, contribute in slowing down global warming.

Social

Our people are our key asset in the delivery of our organisational goals. The Group's human capital management policies and practices are guided by its Code of Conduct, and applicable local laws and regulations.

(a) Talent Attraction and Retention

We recognise that attracting and retaining the right talent is key in the continued success of an organisation. To this end, we continue to enhance our recruitment strategy and improve our practices to provide our employees with a conducive work environment.

We are committed to providing equal recruitment and employment opportunities to all employees and candidates. Our policy bans any form of discrimination based on race, colour, gender, sexual orientation, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, marital or social status. We believe that our people should be treated fairly, equally and with respect.

(b) Occupational Health, Safety and Well-being

We believe that good health and safety performance improves employee morale, as well as our organisational reputation. At AppAsia, our safety vision is straightforward – we strive for an incident-free workplace.

To inculcate high standards of occupational safety and health policies, trainings are conducted at all our operational sites. Fire drills and safety training to enhance employees' preparedness during emergencies are also conducted throughout the year. Besides that, we adhere to preventative measures such as upkeep of equipment, usage of personal protection equipment, and elimination of hazards at all our sites.

(c) Workforce Learning and Development

Appropriate training is provided to employees to improve their knowledge and expertise to contribute meaningfully and effectively to the Group's performance. The Group supports the training and development needs of employees. Besides on-the-job exposure, there are many opportunities for job rotation, mentoring and coaching to allow employees to reach their full potential.

(d) Anti-Corruption and Whistleblowing Policies

We uphold a corporate culture of integrity and have a zero-tolerance approach towards fraud and corruption. We are committed to complying with all anti-corruption and anti-bribery laws. On top of instituting our Code of Conduct, we also have several mechanisms in place to mitigate and identify risk and potential corruption violations. We have Anti-Corruption and Whistleblowing Policies to provide employees and third parties with a secure channel to report or raise concerns about possible improprieties, without fear of reprisal in any form. The details regarding the whistleblowing policies and procedures can be viewed on our website at www.appasia.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors ("**the Board**") of AppAsia Berhad ("**the Company**") recognises the importance of corporate governance and is committed to ensuring that the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance ("**MCCG**") are observed and practised throughout the Company and its subsidiaries (collectively referred to as "**the Group**") so that the affairs of the Group are conducted with integrity and professionalism with the objective of safeguarding shareholders' investment and ultimately enhancing shareholders' value.

This statement is prepared in compliance with ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and it is meant to be read together with the Corporate Governance Statement and Corporate Governance Report. The Corporate Governance Report provides details on how the Company has applied each practice as set out in the MCCG for the financial year ended 31 December 2023 ("**FYE2023**"), a copy of which is available on the Company's website at www.appasia.com.

This statement further outlines the following principles and recommendations which the Group has comprehended and applied with the best practices outlined in MCCG and the Board will continue to take measures to improve compliance with principles and recommended best practices in the ensuing years:

- Board Leadership and Effectiveness
- Effective Audit and Risk Management
- Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board has considered and discussed a wide range of matters during the FYE2023, including strategic decisions and reviewing of risk associated matters in the business. The Board is aware that decisions made for the business of the Group would affect a broad range of our stakeholders. While the Board seeks to ensure that the decisions were taken in a way that was fair and consistent with the Group's values, the Board also recognised the importance of balancing these with the need to support the long-term future of the business.

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has established various committees where specific powers of the Board are delegated to the relevant Board Committees.

The Board has a formal schedule of matters reserved for deliberation as set out below, to ensure good governance is in place for the Group:

- a) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions
- b) Material acquisition and disposition of assets not in the ordinary course of business including significant capital expenditures
- c) Strategic investments, mergers and acquisitions and corporate exercises
- d) Authority levels
- e) Treasury policies
- f) Risk management policies
- g) Key human resource issues

II. BOARD COMPOSITION

The Board recognises the benefits of having a diverse Board to ensure that the mix and profiles of the Board members in terms of age, ethnicity and gender to provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. The Board believes that a truly diverse and inclusive Board will leverage on different thought, perspective, cultural and geographical background, age, ethnicity and gender which will ensure that the Group has a competitive advantage.

In evaluating the suitability of individual Board members, the Nomination Committee ("**NC**") takes into account several factors, including skills, knowledge, expertise, experience, professionalism and time commitment to effectively discharge his or her role as a Director, contribution and performance, background, character, integrity and competence. In the case of candidates for the position of Independent Non-Executive Directors, the NC will evaluate the candidates' ability to discharge their responsibilities and should bring in their independent judgement, provide constructive challenge, strategic guidance, offer specialist advice and impartiality.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

The Board comprised of six (6) directors, three (3) of whom are Non-Executive Directors. All the Non-Executive Directors are Independent Directors. In terms of gender diversity, two (2) Directors out of the six (6) Board members are female Directors.

The Board is of the view that its members have the necessary knowledge, experience, diverse range of skills and competence to enable them to discharge their duties and responsibilities effectively.

III. REMUNERATION

The Board has in place a Directors' and Senior Management Remuneration Policy which is clear and transparent, designed to support and drive business strategy and long-term objectives of the Group. In this regard, the Remuneration Committee ("RC") is responsible to formulate and review the remuneration policies for the Directors of the Company to ensure the same remain competitive, appropriate and in line with the prevalent market practices.

The Board carries out a remuneration review for its employees including that of Senior Management, with the view to ensure that the Group continues to retain and attract the best talents in the industry. The proposed salary structure was considered by the RC and subsequently approved by the Board for implementation. The Non-Executive Directors' fees and benefits will be recommended for shareholders' approval at the Company's Annual General Meeting ("AGM").

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Audit Committee ("AC") plays a key role in ensuring integrity and transparency of corporate reporting. The AC's role is to review and challenge Management to ensure that appropriate disclosures of accounting treatment and accounting policies are made. The AC has a duty to provide assurance to the Board that robust risk management, controls and assurance process are in place. The AC continues to monitor the potential risks of the Group and ensures that mitigating factors are in place for the health, safety and business continuity of the Group.

The AC with the assistance of the Internal Auditor had undertaken a thorough review on the following areas within the Group to ensure that appropriate controls and effective management process are in place:

- Process of Delivery Mobile Applications to Users
- Review of revenue recognition for different types of revenue
- Procedure of Sales and Purchase Process
- Review of Sales Contract with Key Customers
- Review other relevant agreement and evidence
- Accounts and Administration related process
- Human Resources related process

Annually, the composition of the AC is reviewed by the NC and recommended to the Board for their approval. With the view to maintain an independent and effective AC, the NC ensures that only Independent Non-Executive Directors who have the appropriate level of expertise and experience and have the strong understanding of the Group's business would be considered for membership on the AC.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management is a critical component of good management practice and effective corporate governance. With the Risk Management Framework being in place, the Board's decision-making is supported by sufficient information for the right discussions and considerations. The enhanced level of risk debate and greater involvement from the Management are also critical in ensuring that appropriate monitoring and mitigations are embedded to support the proposals under discussion.

The Board will continue to drive a proactive risk management culture and ensure that the Group's employees have a good understanding and application of risk management principles towards cultivating a sustainable risk management culture. The Board will also continue to challenge the Group's risk reporting mechanism and ensure that it is data-driven to capture and quantify exposures where applicable and necessary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. COMMUNICATION WITH STAKEHOLDERS

The Group recognises the importance of stakeholder engagement leading to the long-term sustainability of its businesses. As a responsible corporate citizen, the Group must interact with stakeholders and also acknowledge the potential impact that its operations may have on a wide range of stakeholders. For engagement to be constructive and meaningful, each matter considered by the Board therefore has to be in the context of relevant economic, social and environmental factors.

The Company has heightened its engagement efforts with stakeholders by engaging discussions with analysts, fund managers and shareholders, both locally and overseas, upon requests.

Moving forward, the Board intends to adopt a more mature form of sustainability reporting to stakeholders by implementing the International Integrated Reporting Framework in the Annual Report, allowing stakeholders to have a better understanding on the Group's sustainability.

II. CONDUCT OF GENERAL MEETINGS

The Company's Annual General Meeting ("AGM") is an important means of communicating with its shareholders. To ensure effective participation of an engagement with the shareholders at the AGM of the Company, all members of the Board would be present at the meeting to respond to questions raised by shareholders and proxies. In addition, the Chairman of the Board would chair the AGM in an orderly manner and encourage the shareholders and proxies to speak at the meeting. Besides the proposed resolutions, the AGM also serves as an avenue to share the overall performance of the Group with shareholders.

In line with good governance practices, the notice of the AGM was issued at least twenty (28) days before the AGM date and the AGM is conducted through an electronic polling system. The Company will continue to explore and leverage on technology, to enhance the quality of engagement with its shareholders to facilitate further participations by shareholders at the AGM of the Company.

PRELUDE

Over the next few pages, we will look at the Board, its role, performance and oversight. We will provide details on the Board's activities and discussions during the financial year, the actions arising from these and the progress made against them. We also provide an insight on director independence effectiveness and our Board evaluation, succession planning and induction and ongoing developments.

CORPORATE GOVERNANCE STATEMENT

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

1. Board of Directors'

AppAsia Berhad ("**the Company**") and its subsidiaries (collectively referred to as "**the Group**") acknowledge the pivotal role played by the Board of Directors ("**the Board**") in the stewardship of its directions and operations, and ultimately the enhancement of long-term shareholders' value. To fulfil this role, the Board plays a critical role in setting the appropriate tone at the top and is charged with leading and managing the Group in an effective, good governance and ethical manner. The directors individually have a legal duty to act in the best interest of the Group and are also collectively aware of their responsibilities to the stakeholders for the manner in which the affairs of the Group are managed. The Board's responsibilities, amongst others include the following:

- a) Review and approve the annual corporate plan for the Group, which includes the overall corporate strategy, sustainability strategy, business development and marketing plan, human resources plan, IT plan, financial plan, budget, regulatory plan and risk management plan;
- b) Review and approve strategic initiatives including corporate business restructuring or streamlining and strategic alliances;
- c) Supervise the operation of the Group to evaluate whether established targets are achieved;
- d) Ensure that the Company has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate responsibility;
- e) Identify principal risks and ensure the implementation of appropriate systems to manage these risks;

- f) Approve the nomination, selection, succession policies, and remuneration packages for the Board members, Board Committee members, Nominee Directors on the functional Boards of the subsidiaries and the senior management, and the annual manpower budget for the Group, including managing succession planning, appointing, training, fixing the compensation of, and where appropriate replacing senior management or key management personnel;
- g) Promote better investor relations and shareholder communications;
- h) Review the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- i) Review and approve the financial statements encompassing annual audited accounts and quarterly reports, dividend policy, credit facilities from financial institutions and guarantees;
- j) Monitor the compliance with legal, regulatory requirements and ethical standards;
- k) Review and approve investment policies and guidelines for the Company's surplus funds, asset allocation policy and policy on exposure limits on investment with banking institutions;
- l) Review and approve the capital expenditure, purchase of fixed assets, operating expenditure, variation order and any other matters in accordance with the Authority Limits Document;
- m) Establish such committees, policies and procedures to effectively discharge the Board's role and responsibilities; and
- n) Initiate a Board self-evaluation program and follow-up action to deal with issues arising and arrange for directors to attend courses, seminars and participate in development programs as the Board judges appropriate.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

I. Board Responsibilities (Cont'd)

1. Board of Directors' (Cont'd)

To assist in the discharge of its responsibilities, the Board has established the following Board Committees to perform certain of its functions and to provide recommendations and advice:

- (i) Nomination Committee ("NC")
- (ii) Remuneration Committee ("RC")
- (iii) Audit Committee ("AC")
- (iv) Share Issuance Scheme ("SIS") Committee

Each Board Committee operates within their approved terms of reference set by the Board which are periodically reviewed. The Board appoints the Chairman and members of each Board Committee.

The Chairman of the respective Board Committees will report to the Board on the outcome of any discussions and make recommendations thereon to the Board. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The Board may form other committees delegated with specific authorities to act on their behalf. These committees will operate under approved terms of reference or guidelines and are formed whenever required.

Board meeting agenda includes statutory matters, governance and management reports, which include strategic risks, strategic projects and operational items. The Board approves an annual performance contract setting the priorities director and performance targets for the Group within the parameters of the corporate plan.

The profile of each Director is presented in the Annual Report of the Company.

2. Separation of position of the Chairman and Executive Directors

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of the Chairman and the Executive Directors of the Company are separately held by different individuals, and each has clearly accepted division of responsibilities and accountability to ensure a balance of power and authority. This segregation of roles also facilitates a healthy open, exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company.

The Chairman of the Board, Datuk Seri Rahadian Mahmud bin Mohammad Khalil, an Independent Non-Executive Chairman, leads the Board with focus on governance and compliance and acts as a facilitator at Board meetings to ensure that relevant views and contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates the discussion. The roles and responsibilities of the Chairman's key responsibility, amongst others, includes the following:

- a) Leadership of the Board;
- b) Overseeing the effective discharge of the Board's supervisory role;
- c) Facilitating the effective contribution of all Directors;
- d) Conducting the Board's function and meetings;
- e) Briefing all Directors in relation to issues arising at meetings;
- f) Scheduling regular and effective evaluations of the Board's performance; and
- g) Promoting constructive and respectful relations between Board members and between the Board and the Management.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

1. Board Responsibilities (Cont'd)

2. Separation of position of the Chairman and Executive Directors (Cont'd)

The Executive Directors, namely Toh Hong Chye, Wong Ngai Peow and Yong Mai Fang, oversee the day-to-day operations to ensure the smooth and effective running of the Group. The Executive Directors implement the policies, strategies, decisions adopted by the Board, monitor the operating financial results against plans and budgets and act as a conduit between the Board and Management in ensuring the success of the Group's governance and management functions.

During Board meetings, the Chairman maintains a collaborative atmosphere and ensures that all Directors contribute to the discussion. The Chairman and Executive Directors arrange informal meetings and events from time to time to build constructive relationships between the Board members.

The Executive Directors take on primary responsibility to spearhead and manage the overall business activities of the various business division of the Group to ensure optimum utilisation of corporate resources and expertise by all the business divisions and at the same time achieve the Group's long-term objectives. The Executive Directors are assisted by the heads of each division in implementing and running the Group's day-to-day business.

3. Supply of and Access to Information

All Directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs in a timely manner to enable them to discharge their duties effectively.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors and Board Committees in advance of the scheduled meetings. Notices of meetings are sent to Directors at least seven (7) days before the meetings. Management provides the Board with detailed meeting materials at least seven (7) days in advance of the Board or Board Committees' meetings. This is to allow sufficient time for the Directors to review, consider and deliberate knowledgeably on the issues and, where necessary, to obtain further information and explanations to facilitate informed decision-making. Senior Management may be invited to join the meetings to brief the Board and Board Committees on the requisite information, provide additional insights and explanations on matters being discussed, where necessary.

Technology is effectively used in the meetings of Board and Board Committees and in communication with the Board, where the Directors may receive agenda and meeting materials online and participate in meetings via audio or video conferencing.

4. Commitment of the Board

The Board recognises that it is necessary for all Directors to allocate sufficient time to effectively discharge their duties. This includes attending meetings, being able to review Board papers prior to meetings and providing constructive viewpoints.

The Board would meet at least five (5) times a year, at quarterly intervals which are scheduled at the onset of the financial year to help facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened where necessary to deal with urgent and important matters that require attention of the Board. All Board meetings are furnished with proper agendas with due notice given and Board papers are prepared by the Company Secretary and Management. Thereafter, circulated to all Directors prior to the meetings.

All pertinent issues discussed at the Board meetings are properly recorded by the Company Secretary.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

I. Board Responsibilities (Cont'd)

4. Commitment of the Board (Cont'd)

The Board met five (5) times during the financial year ended 31 December 2023 ("FYE2023"). The attendance of each Director at the Board Meetings held during FYE2023 are as follow:

Directors	Number of meetings attended	%
Datuk Seri Rahadian Mahmud bin Mohammad Khalil	4/5	80%
Toh Hong Chye	5/5	100%
Wong Ngai Peow	5/5	100%
Yong Mai Fang	5/5	100%
Tiew Chee Ming	5/5	100%
Yeong Siew Lee	5/5	100%

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities which is evidenced by the satisfactory attendance record of the Directors at each Board meeting.

It is the Board's policy for Directors to notify the Board before accepting any new directorship notwithstanding that the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") allow a Director to sit on the board of a maximum of five (5) listed issuers. At present, all Directors of the Company have complied with the AMLR of Bursa Securities where they do not sit on the board of more than five (5) listed issuers.

5. Continuous Development of the Board

The Board, via the NC, continues to identify and attend appropriate briefings, seminars, conferences and courses to keep abreast of changes in legislations and regulations affecting the Group.

All Directors have completed the Mandatory Accreditation Programme. The Directors are mindful that they would continue to enhance their skills and knowledge to maximize their effectiveness as Directors during their tenure. Throughout their period in office, the Directors are continually updated on the Group's business and the regulatory requirements.

The list of training programmes attended by the Directors during the FYE2023 under review are as follows:

- MFRS 15 and MFRS 16 - Disclosures and Best Practices
- Statutory Records Update Under the Companies Act 2016 and Foreign Companies
- Digital Technology and Artificial Intelligence as Productivity Tools for Accounting and Finance Professionals
- Advanced Corporate Tax Issues and Strategies - Inclusive of latest tax developments and updates on Budget 2023
- Tax Issues and Law Relating to Property Developers, JMB/MC and Investors
- Leadership Skills for Supervisors Executives and Managers
- Global Export Development Masterclass (Certified Export Professionals)

The Company Secretary also highlights the relevant guidelines on statutory and regulatory requirements from time to time to the Board. The External Auditors on the other hand, briefed the Board on changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

6. Board Committees

AC

The AC monitors internal control policies and procedures designed to safeguard the Group's assets and to maintain the integrity of financial reporting. The AC maintains direct, unfettered access to the Company's External Auditor, Internal Auditor and management.

The AC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The present members of the AC are as follows:

Director	Designation
Tiew Chee Ming	Chairman
Datuk Seri Rahadian Mahmud bin Mohammad Khalil	Member
Yeong Siew Lee	Member

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

1. Board Responsibilities (Cont'd)

6. Board Committees (Cont'd)

AC (Cont'd)

A copy of the AC's Terms of Reference can be found in the Company's website at www.appasia.com.

The activities undertaken by the AC during FYE2023 are spelt out in the AC Report within this Annual Report.

NC

The NC oversees matters related to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.

The NC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The present members of the NC are as follows:

Director	Designation
Yeong Siew Lee	Chairperson
Datuk Seri Rahadian Mahmud bin Mohammad Khalil	Member
Tiew Chee Ming	Member

During the FYE2023, the NC held one (1) meeting. Below are the summary of the key activities undertaken by the NC in discharge of its duty:

- Reviewed the composition of the Board and Board Committees with regards to the mix of skills, independence and diversity in accordance with its policy;
- Determined the Directors who stand for re-election by rotation and determined their eligibility upon conducting assessment based on the Directors' Fit and Proper Policy;

- Assessed the effectiveness and performance of the Board as a whole and the contribution of each individual Director. This was carried out through a self-assessment document that was completed by each Director. The assessment criteria include the following:

- Board composition
- Board process
- Performance of Board Committees
- Information provided to the Board
- Role of the Board in strategy and planning
- Risk management framework
- Accountability and standard of conduct of Directors

- Reviewed the terms of office of the AC and each member of the AC to ascertain that the AC and its member have carried out their duties in accordance with the AC's Terms of Reference;

- Assessed and reviewed the independence and continuing independence of the Independent Directors; and

- Reviewed the Terms of Reference of the NC.

All recommendations of the NC were reported by the NC Chairperson at the Board Meeting and approved by the Board.

A copy of the NC's Terms of Reference is available at the Company's website at www.appasia.com.

RC

The RC is responsible for recommending to the Board the remuneration principles and the framework for members of the Board and Senior Management.

The RC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The present members of the RC are as follows:

Director	Designation
Yeong Siew Lee	Chairperson
Datuk Seri Rahadian Mahmud bin Mohammad Khalil	Member
Tiew Chee Ming	Member

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

I. Board Responsibilities (Cont'd)

6. Board Committees (Cont'd)

RC (Cont'd)

During the FYE2023, the RC held one (1) meeting and all members registered full attendance. Below are the summary of the key activities undertaken by the RC in discharge of its duty:

- (a) Reviewed, assessed and recommended the remuneration packages of the Executive Directors and Senior Management;
- (b) Reviewed and recommended the payment of Directors' fees and other benefits payable to the Non-Executive Directors;
- (c) Reviewed the Terms of Reference of the RC; and
- (d) Reviewed the Directors and Senior Management Remuneration Policy.

All recommendations of the RC were reported by the RC Chairperson at the Board Meeting and approved by the Board.

A copy of the RC's Terms of Reference can be found in the Company's website at www.appasia.com.

SIS Committee

The SIS Committee was established on 12 March 2015. The SIS Committee is primarily responsible for administering the Company's SIS Option in accordance with the approved SIS By-Laws and regulations. The present members of the SIS Committee are as follows:

Officer	Designation
Toh Hong Chye	Chairman
Wong Ngai Peow	Member
Yong Mai Fang	Member

The SIS Committee meets as and when required. No meeting was held during the financial year.

7. Board Charter

The Company has established a Board Charter to promote high standards of corporate governance and the Board Charter is designed to provide guidance and clarity for Directors and Management with regard to the role of the Board and its committees. The Board Charter clearly sets out the key values and principles of the Company and further sets out the duties and responsibilities of the Board, the Chairman, the Executive Directors and the Board Committees. The Board Charter also provides structure guidance and ethical standards for the Board in discharging their duties towards the Group as well as its operating practices. The Board Charter further entails the following issues and decisions reserved for the Board:

- (a) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions
- (b) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures
- (c) Strategic investments, mergers and acquisitions and corporate exercises
- (d) Authority levels
- (e) Treasury policies
- (f) Risk management policies
- (g) Key human resource issues

The Board Charter is reviewed annually by the Board to ensure it complies with legislations and best practices, and remains effective and relevant to the Board's objectives.

A copy of the Board Charter can be found in the Company's website at www.appasia.com.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

1. Board Responsibilities (Cont'd)

8. Code of Conduct and Code of Ethics

The Company has established a Code of Conduct and Code of Ethics which is also enshrined in the Board Charter to promote a corporate culture which engenders ethical conduct that permeates throughout the Group. The Code of Ethics is based on principles in relation to trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism. Where else the Code of Conduct is based on the principles in relation to integrity, transparency, accountability and corporate social responsibility.

The Board is focused on creating corporate culture which engenders ethical conduct that permeates throughout the Company. The Group practices the relevant principles and values in the Group's dealings with employees, customers, suppliers and business associates. The Directors, officers and employees of the Group are also required to observe, uphold and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with the relevant laws and regulations as well as the Group's policies.

The Board is provided guidance through the Code of Conduct and Ethics on disclosure of conflict of interest and other disclosure information/requirements to ensure that the Directors comply with the relevant regulations and practices. In order to address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures including requiring such Directors to abstain from participating in deliberations during meetings and abstaining from voting on any matter in which they may also be interested or conflicted. The Directors of the Group are also required to disclose and confirm their directorships and shareholdings in the Group and any other entities where they have interests.

Notices on the closed period for trading in the Company's shares are sent to Directors, principal officers and the relevant employees on a quarterly basis specifying the timeframe during which they are prohibited from dealing in the Company's shares, unless they comply with the procedures for dealings during closed period as stipulated in the AMLR.

Details of the Code of Conduct and Code of Ethics can be found in the Company's website at www.appasia.com.

9. Whistleblowing Policy

The Company has adopted a Whistleblowing Policy as the Board believes that a sound whistleblowing system will strengthen, support good management and at the same time, demonstrate accountability, good risk management and sound corporate governance practices. The policy is to encourage reporting of any major concerns over any wrongdoings within the Group.

The policy outlines the relevant procedures such as when, how and to whom a concern may be properly raised about the genuinely suspected or instances of wrongdoing at the Company and its subsidiaries. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retaliation. All such concerns shall be set forth in writing and forwarded in a sealed envelope to either the Chairman of the Board or the members of the AC.

Full details of the Whistleblowing Policy can be found on the Company's website at www.appasia.com.

10. Company Secretary

The Board is assisted by a qualified and competent Company Secretary who plays a vital role in advising the Board in relation to the Group's constitution, policies, procedures and compliance with the relevant regulatory requirements, codes, guidance and legislations. All the Directors have unrestricted access to the advice and services of the Company Secretary for the purpose of the conduct of the Board's affairs and the business.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

I. Board Responsibilities (Cont'd)

10. Company Secretary (Cont'd)

The Company Secretary constantly keep himself abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. The Company Secretary has also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or the Malaysian Institute of Chartered Secretaries and Administrators for practising company secretary. The Board is satisfied with the performance and support rendered by the Company Secretary in discharging its functions.

In addition, the Company Secretary is also accountable to the Board and is responsible for the following:

- Advising the Board on its roles and responsibilities.
- Advising the Board on matters related to corporate governance and the AMLR.
- Ensuring that Board procedures and applicable rules are observed.
- Maintaining records of the Board and ensuring effective management of the Company's statutory records.
- Preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded.
- Assisting communications between the Board and Management.
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.
- Preparing agendas and co-coordinating the preparation of Board papers.

II. Board Composition

1. Composition and Diversity

The Directors are of the opinion that the current Board size and composition is adequate for facilitating effective decision making given the scope and nature of the Group's businesses and operations. The Board maintains an appropriate balance of expertise, skills and attributes among the Directors which is reflected in the diversity of backgrounds and competencies of the Directors. Such competencies include finance, accounting, legal, digital and other relevant industry knowledge, entrepreneurial and management experience and familiarity with regulatory requirements and risk management.

The NC ensures that the composition of the Board is refreshed periodically while the tenure, performance and contribution of each Director is assessed by the NC through the Board Evaluation. In addition, each of the retiring Directors will provide their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

As at the date of this Statement, the Board consists of one (1) Independent Non-Executive Chairman, two (2) Independent Non-Executive Directors, and three (3) Executive Directors, wherein at least half of the Board comprises Independent Directors. The composition of the Board ensures that the Independent Non-Executive Directors will be able to exercise independent judgment on the affairs of the Company.

The Board of Directors' profile can be found in the Annual Report of the Company.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

II. Board Composition (Cont'd)

2. Independency of Independent Directors

The Independent Directors play a crucial role in corporate accountability and provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders. The Board, via the NC assesses each Director's independence to ensure on-going compliance with this requirement annually. The NC is satisfied that the Independent Directors are independent of Management and free from any business or other relationships which could interfere with the exercise of independent judgement, objectivity and the ability to act in the best interest of the Company.

The Board has limited the tenure of the Independent Directors to twelve (12) years and they may continue to serve on the Board subject to their re-designation as Non-Independent Directors.

Datuk Seri Rahadian Mahmud bin Mohammad Khalil had been serving the Company as an Independent Director for a cumulative term of more than nine (9) years and the Board had proposed to retain him as an Independent Director. The Board will seek the approval from the shareholders of the Company at the forthcoming AGM to support the Board's decision to retain Datuk Seri Rahadian Mahmud bin Mohammad Khalil as an Independent Director based on the following justifications:-

- (a) He fulfilled the criteria under the definition of Independent Director as stated in the AMLR, and therefore would be able to bring independent and objective judgment to the Board;
- (b) His experience in accounting and corporate finance enables him to provide the Board with a diverse set of experience, expertise, skills and competence;

- (c) He has been with the Company for more than nine (9) years and therefore understands the Company's business operations which enables him to participate actively and contribute during deliberations or discussions at Board and Committee meetings;

- (d) He remains scrupulously independent in his thinking and is effective in providing constructive challenges to the Executive Directors; and

- (e) He exercised due care during his tenure as an Independent Non-Executive Chairman and carried out his professional duties in the best interest of the Company and shareholders.

3. Appointment of Board and Senior Management

The Board of Directors comprise of a collective of individuals having an extensive complementary knowledge and competencies, as well as expertise to make an active, informed and positive contribution to the management of the Group in terms of the business' strategic direction and development. The appointment of the Board and its Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The NC will assess the suitability and the fitness and propriety of the candidates based on criteria set out in the Fit and Proper Policy before formally considering and recommending them for appointment to the Board or senior management. In proposing its recommendation, the NC will consider and evaluate the candidates' required skills, knowledge, expertise, competence, experience, characteristics, professionalism. For appointment of Independent Directors, considerations will also be given on whether the candidates meet the requirements for independence as defined in AMLR of Bursa Securities and time commitment expected from them to attend to matters of the Company in general, including attending meetings of the Board, Board Committees and Annual General Meeting ("AGM").

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

II. Board Composition (Cont'd)

4. Gender Diversity

While the Board of Directors acknowledge the need to promote gender diversity within its composition and endeavour to increase female participation in the Board and Senior Management, it has decided not to set any specific targets as the Board believes that it is more important to have the right mix and skills for such positions.

As at the date of this report, the Board comprises of two (2) women Directors, representing approximately 33.3% of the total numbers of the board which is in line with the Malaysian Code on Corporate Governance of at least 30% representation of women on Board. In addition, the Board composition is in compliance with Rule 15.02(1)(b) of AMLR, whereby a listed corporation must ensure that at least one (1) Director of the listed corporation is a woman.

The Company has adopted a diversity policy which outlines its approach to achieving and maintaining diversity (including gender diversity) on its Board and in Senior Management positions. This includes requirements for the Board to establish measurable objectives for achieving diversity on the Board and in management positions, and for the appropriate Board Committees to monitor the implementation of the policy, assess the effectiveness of the Board nomination process and the appointment process for management positions at achieving the objectives of the policy.

5. Identifying Suitable Candidates

Any proposed appointment of a new Member to the Board will be deliberated by the full Board based upon a formal report, prepared by the NC on the necessity for reviewing the fit and proper, qualifications and experience of the proposed director. The NC would be guided by an internal policy on Criteria and Skill Sets for the Board Members in assessing the suitability of the potential candidates for appointment to the Board.

There was no appointment of new Director for the FYE2023. Nonetheless, the Board will utilise independent search firms in identifying suitable candidates for appointment of directors in the future when the need arises.

6. Chairperson of the NC

The NC is led by Yeong Siew Lee, the Independent Non-Executive Director, who directs the NC for succession planning and appointment of Board members and Senior Management by conducting annual review of board effectiveness and skill assessments. This provides the NC with relevant information of the Group's needs, allowing them to source for suitable candidates when the need arises.

7. Annual Evaluation

The NC is responsible in evaluating performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the NC Chairperson and supported by the Company Secretary via questionnaires. The NC reviews the outcome of the evaluation and recommends to the Board on areas for continuous improvement and also for them to form the basis of recommending relevant Directors for re-election at the AGM of the Company.

The assessment criteria used in the assessment of Board and individual Directors include a mix of skills, knowledge, Board diversity, size and experience of the Board, core competencies and contributions of each Director. The Board Committees were assessed based on their roles and responsibilities, scope and knowledge, frequency and length of meetings, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their function.

The Board evaluation comprises Performance Evaluation of the Board and various Board Committees, Directors' Peer Evaluation and Assessment of the independence of the Independent Directors. The assessment is based on four (4) main areas relating to Board Structure, Board Operations, Board and Chairman's roles and responsibilities and Board Committees' role and responsibilities.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

II. Board Composition (Cont'd)

7. Annual Evaluation (Cont'd)

For Directors' Peer Evaluation, the assessment criteria include abilities and competencies, calibre and personality, technical knowledge, objectivity and the level of participation at Board and Committee meetings including his/her contribution to Board processes.

Any appointment of a new Director to the Board or Board Committee is recommended by the NC for consideration and approval by the Board. In accordance with the Company's Constitution, one-third (1/3) of the Directors for the time being shall retire from office at each AGM. A retiring director shall be eligible for re-election. The Constitution also provides that all directors shall retire at least once every three (3) years.

During the year, the Board conducted an internally facilitated Board assessment. The results and recommendations from the evaluation of the Board and Committees are reported to the Board for full consideration and action. The Board was comfortable with the outcome and that the skills and experience of the current Directors satisfy the requirements of the skills matrix and that the Chairman possesses the leadership to safeguard the stakeholders' interest and ensure the development of the Group.

The NC also considered the results of the evaluation when considering the re-election of Directors and recommended to the Board for endorsement the Directors standing for re-election at forthcoming AGM of the Company.

III. Remuneration

The objective of the Group's internal remuneration policy is to provide fair and competitive remuneration to its Board and Senior Management in order for the Company to attract and retain Board and Senior Management of calibre to run the Group successfully. The responsibilities for developing the remuneration policy and determining the remuneration packages of Executive Directors and Senior Management lie with the RC. Nevertheless, it is ultimately the responsibility of the Board to approve the remuneration of Executive Directors and Senior Management.

Based on the remuneration framework, the remuneration packages for the Executive Directors and Senior Management compose of a fixed component (i.e. salary, allowance and etc.) and a variable component (i.e. bonus, benefit-in kind and etc.) which is determined by the Group's overall financial performance in each financial year which is designed to support our strategy and provides a balance between motivating and challenging our senior managements to deliver our business priorities, as set out by Executive Directors, and strong performance while also driving the long-term sustainable success of the Group.

The level of remuneration of Non-Executive Directors reflects their experience and level of responsibility undertaken by them. Non-Executive Directors will receive a fixed fee, with additional fees if they are members of Board Committees, with the Chairman of the AC, RC or NC receiving a higher fee in respect of his/her service as Chairman of the respective Committees. The fees for Directors are determined by the Board with the approval from shareholders at the AGM and no Director is involved in deciding his/her own remuneration.

During the financial year under review, the RC had reviewed the remuneration for the Executive Directors and Senior Management which reflects their level of responsibilities as well as the performance of the Group, and considered their remuneration packages are comparable within the industry norm. The RC further discussed the annual salary review for the Executive Directors and Senior Management in line with the budget salary increase for the rest of the organisation. When approving payments for annual bonus, the RC considered the overall performance of the business and of the Executive Directors and Senior Management against this, as well as their individual targets. Bonus payments made to Executive Directors and Senior Management reflected the large proportion of collective measures for the year, in support of focusing on teamwork and simplicity within the pay arrangements.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

III. Remuneration (Cont'd)

The detailed disclosure on named basis for the remuneration of individual Directors that includes fees, salary, bonus, benefits in-kind and other emoluments from the Company and the Group for the FYE2023 are set out in the Corporate Governance Report. While the details of the remuneration of the senior management on an aggregate basis in bands of RM50,000 are as set out below.

Remuneration Bands	Number of Senior Management
RM100,001 – RM150,000	1
RM150,001 – RM200,000	1 [#]

[#] One of them is the Executive Director of the Company

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AC

Presently, the AC consists of three (3) Independent Non-Executive Directors and all of them are financially literate and have sufficient understanding of the Group's business. All the members of the AC undertook continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

The Chairman of the AC is not the Chairman of the Board, ensuring that the objectivity on the Board's review of the AC's findings and recommendation remains intact.

The AC has adopted a Terms of Reference which sets out its goals, objectives, duties, responsibilities and criteria on the composition of the AC which includes a former key audit partner of the Group to observe a cooling-off period of at least three (3) years before being able to be appointed as a member of the AC. For the FYE2023, no former key audit partner of the Company's Auditors is appointed as a member of AC.

In presenting the annual audited financial statements and interim financial statements on a quarterly basis to the shareholders, the Board is responsible to present a clear, balanced and understandable assessment of the Group's performance and position. The AC is entrusted to provide assistance to the Board in reviewing the Group's financial reporting process and accuracy of its financial results, and scrutinising information for disclosure to ensure accuracy, adequacy, completeness and compliance with the accounting standards.

The Board places great emphasis on the objectivity and independence of the External Auditors. Through the AC, the Board maintains a transparent relationship with the External Auditors in seeking professional advice on the internal control and ensuring compliance with the appropriate accounting standards. The AC is empowered to communicate directly with the External Auditors to highlight any issues of concern at any point in time.

On an annual basis, the AC considers the re-appointment of the External Auditors and their remuneration and makes recommendation to the Board. The External Auditors are subject to re-appointment each year at the AGM.

The External Auditors is recommended to meet the AC without the presence of the executive Board members and Management on regular basis pertaining to matters relating to the Group and its audit activities. During such meetings, the External Auditors highlight and discuss the nature and scope of the audit, audit programme, internal controls and any other issues that may require the attention of the AC or the Board. For the FYE2023, External Auditors met the AC twice without the presence of the executive Board members and Management.

The AC ensures the External Audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by the External Auditors in order to make sure that it does not give rise to conflict of interests. The excluded contracts would include management consulting, internal audit and standard operating policies and procedures documentation.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

I. AC (Cont'd)

For the FYE2023, fees paid to the External Auditors, Messrs TGW TW PLT and its affiliated firms by the Company and the Group are stated in the table below:

Nature of Services	Group (RM)	Company (RM)
Audit services rendered	77,000	31,000
Non-Audit services rendered	3,000	3,000

The External Auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

Further information on the roles and responsibilities of the AC may be found in the Annual Report of the Company.

II. Risk Management and Internal Control Framework

The Board assumes ultimate responsibility for the effective management of risk across the Group, determining its risk appetite as well as ensuring that each business area implements appropriate internal controls. In order to achieve such objective, a risk management framework has been adopted by the Group. The Group's risk management systems are designed to manage and eliminate risks, where possible to achieve business objectives and provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated its responsibility for reviewing the effectiveness of the Group's systems of internal control to the AC. This covers all material controls including financial, operational, compliance and risk management systems. The AC is further supported by a number of sources of internal assurance within the Group in order to determine the adequacy and effectiveness of the framework.

The Group has outsourced the internal audit function as being the most cost-effective means of implementing an internal audit function. The independent third-party service provider of the internal audit services for the FYE2023 was S F Chang Corporate Services Sdn. Bhd., which reported directly to the AC as specified in the Terms of Reference of the AC. The Internal Auditor carries out its function in accordance with the annual Internal Audit Plan approved by the AC. S F Chang Corporate Services Sdn. Bhd. has approximately three (3) audit personnel assisting the person responsible for the internal audit. Details on the person responsible for the internal audit are set out below:

Name	Chang Siew Foong
Qualification	C.A.(M), FCCA, ACTIM
Independence	Does not have any family relationship with any of the director and/or major shareholder of the Company
Public Sanction or penalty	Has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Further information may be found in the Statement on Risk Management and Internal Control and the Management Discussion and Analysis of this Annual Report.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

I. Communication with stakeholders

The Board believes that stakeholders' communication is an essential requirement of the Group's sustainability. In view thereof, stakeholders are informed of all material business events and risks of the Group in a factual, timely and widely available manner. The Board has formalised a corporate disclosure policy and procedure not only to comply with the disclosure requirements as stipulated in the AMLR, but also sets out the persons authorised and responsible to approve and disclose material information to all stakeholders.

The Group has set up an investor relations program to facilitate effective two-way communication with investors and analyst to provide a greater understanding of the Group's vision, strategies, developments and financial prospects. A variety of engagement initiatives including direct meetings and dialogues with stakeholders are constantly conducted to learn about their needs enabling sustainability and growth of the Group.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. It is the Group's practice that any material information for public announcement, including annual, quarterly financial statements, press releases, and presentation to investors, analyst and media are factual and reviewed internally before issuance to ensure accuracy and is expressed in a clear and objective manner.

The Company's corporate website includes a dedicated Investor Relations section which provides all relevant information on the Group, including announcements to Bursa Securities, share price information as well as the corporate and governance structure of the Group. Stakeholders are also able to subscribe to e-mail alerts from the Group via the Investor Relation page.

II. Conduct of General Meetings

The AGM is the principal forum for dialogue with shareholders, allowing shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. To ensure shareholders have sufficient time to go through the Annual Report, it is circulated at least twenty-eight (28) calendar days before the date of the AGM. Shareholders are encouraged to vote on the proposed motions by appointing a proxy in the event they are unable to attend the meeting.

During the AGM, a presentation was shown to the shareholders on the Group's performance and major activities which were carried out during the financial year under review. The Board also encourages participation from shareholders by having "question and answers" session during the AGM where the Directors (inclusive of the Chairman of the AC and Chairperson of NC and RC) are available to provide meaningful response to questions raised by the shareholders.

In line with the AMLR, the Company has implemented and will continue to implement poll voting for all proposed resolutions set out in the notice of any general meeting. An independent scrutineer will also be appointed to validate the votes cast at any general meeting of the Company.

AUDIT COMMITTEE'S REPORT

OBJECTIVE

The Audit Committee ("AC") was established with the primary objective of assisting the Board in the areas of corporate governance, system of internal control, risk management, and management and financial reporting practices of the Group.

COMPOSITION MEETING ATTENDANCE

The AC members comprise of three (3) members, all of whom are Independent Non-Executive Directors and at least one (1) of the members is a member of the Malaysian Institute of Accountants. The AC meets the requirement of Rule 15.09(1) of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

During the financial year ended 31 December 2023 ("FYE2023"), the AC held five (5) meetings and the records of the attendance of AC members are as follow:

Directors	Designation	Number of meetings attended	%
Tiew Chee Ming ^[1]	Chairman	5/5	100%
Yeong Siew Lee ^[1]	Member	5/5	100%
Datuk Seri Rahadian Mahmud bin Mohammad Khalil	Member	4/5	80%

Note:

^[1] Member of the Malaysian Institute of Accountants

All deliberations at the AC meetings were properly recorded. Subsequently, the minutes of the AC meetings were tabled for confirmation at the meetings that followed and subsequently presented to the Board for notation. The AC Chairman also reported to the Board on the activities and significant matters discussed at each AC meeting.

TERMS OF REFERENCE

The scope of duties and responsibilities of the AC stated in the Terms of Reference ("TOR") is made available on the Company's website at www.appasia.com. The Board has reviewed and assessed the performance of the AC and is satisfied that the AC has discharged its functions, duties and responsibilities in accordance with its TOR.

SUMMARY ACTIVITIES

The activities of the AC during the FYE2023, include the following:

- Reviewed the unaudited quarterly results of the Group and the Company including the announcements pertaining thereto, before recommending to the Board for approval and release the results to Bursa Malaysia Securities Berhad ("Bursa Securities");
- Reviewed with External Auditors on their Audit Review Memorandum for the FYE2023;
- Reviewed the Audited Financial Statements of the Group for the FYE2023 before recommending to the Board for approval and release of the results to Bursa Securities;
- Reviewed and discussed with the External Auditors of their audit findings inclusive of system evaluation, audit fees, issues raised, audit recommendations and management's response to these recommendations;
- Evaluated the performance of the External Auditors for the FYE2023 covering areas such as caliber, quality processes, audit team, audit scope, audit communication, audit governance and independence and considered and recommended the re-appointment of the External Auditors;
- Reviewed and approved the non-audit services provided/to be provided by the External Auditors and its affiliates to ensure the provision of the non-audit services does not impair their independence or objectivity as External Auditors of the Group and the Company;
- Reviewed and assessed the adequacy of the scope and functions of the internal audit plan;
- Reviewed the internal audit reports presented and considered the findings of internal audit through the review of the internal audit reports tabled and management responses thereof;
- Reviewed and approved on the Internal Audit Planning Memorandum for the FYE2023 to ensure adequate scope and coverage of the activities of the Group and the Company which was prepared based on risk-based approach;
- Reviewed the effectiveness of the Group's system of internal control;

AUDIT COMMITTEE'S REPORT (CONT'D)

SUMMARY ACTIVITIES (CONT'D)

- k. Reviewed the proposed fees for the External Auditors and Internal Auditors in respect of their audit of the Company and the Group;
- l. Reviewed related party transactions and conflict of interest situation that may arise within the Group and/or the Company, to ensure that transactions entered into were on arm's length basis and on normal commercial terms;
- m. Reviewed the Company's compliance with the ACE Market Listing Requirements, applicable Approved Accounting Standards and other relevant legal and regulatory requirements;
- n. Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report;
- o. Reported to the Board on its activities and significant findings and results; and
- p. Reviewed and verified the allocation of share issuance scheme options in accordance with the ACE Market Listing Requirements.

INTERNAL AUDIT FUNCTIONS

The Group has appointed an established external professional Internal Audit firm, which reports to the AC and assists the AC in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives.

Internal audit provides independent assessment on the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the AC.

The AC approves the Internal Audit Planning Memorandum during the first AC meeting each year. Any subsequent changes to the Internal Audit plan are approved by the AC. The scope of internal audit covers the audits of all units and operations, including subsidiaries as stated in the letter of engagement.

During FYE2023, the following activities were carried out by the Internal Auditors in discharge of its responsibilities:

- a. The internal audit function conducted based on an annual internal audit plan which was tabled before and approved by the AC;
- b. Internal Audit Plan covers the key functional areas and business activities of the major subsidiaries of the Group as well as issues relating to control deficiencies and areas for improvements including the relevant recommendations to address the issues;
- c. Emphasis on best practices and management assurance that encompass all business risks, particularly on the effectiveness and efficiency of operations, reliability of reporting, compliance with applicable law and regulations and safeguard of assets;
- d. Performed follow-up on status of management agreed action plan on recommendation raised in previous cycles of internal audits including specific timelines for those outstanding matters to be resolved; and
- e. Reports issued by the internal audit function were tabled at AC meetings in which management was present at such meeting to provide pertinent clarification or additional information to address questions raised by AC members pertaining to matters raised.

The AC and the Board agree that the internal audit review was done in accordance with the audit plan and the coverage is adequate.

For further details on the risk management, internal controls and internal audit functions, please refer to the Statement on Risk Management and Internal Control in this Report.

This AC Report was approved by the Board of Directors on 25 March 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to provide the following Statement on Risk Management and Internal Control pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("**the Guidelines**").

RESPONSIBILITIES

The Board recognises the importance of good risk management practices and sound internal controls as a platform to good corporate governance. The Board acknowledges its responsibility for maintaining a sound risk management framework and internal control system, and ensuring its adequacy and effectiveness.

Due to inherent limitations in any risk management and internal control system, such system put into effect by management are designed to manage rather than eliminate all the risks that may impede the achievement of the Group's business objectives, and as such, it can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board through its Audit Committee ("**AC**") has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment and regulatory requirements. The process is reviewed by the Board and the AC on a periodic basis.

Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced by the Group, and in the design and operation of suitable internal controls to mitigate these risks identified.

The Board is of the view that the risk management and internal control system in place for the period under review and up to the date of issuance of the annual report is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators, employees and the Group's assets.

RISK MANAGEMENT FRAMEWORK

Risk management is firmly embedded in the Group's management system as the Board firmly believes that risk management is critical for the Group's sustainability and the enhancement of shareholder value. Key management staff and Heads of Department are delegated with the responsibility to manage identified risks within defined parameters and standards.

Periodic Management Meetings which are attended by the Department Heads and key management staff are held to:

- communicate the vision, roles and direction of the Group and priorities to all the employees and key stakeholders;
- identify, assess and evaluate the key risks of the Group that affect its goals and objectives for the year under review; and
- propose the appropriate mitigating controls and the significant risks that affect the Group's strategic and business plans, if any, to the Board at their scheduled meetings.

The key management staff meets regularly to review the risks faced by the Group and ensure that the existing mitigation actions are adequate. Risks identified are prioritised in terms of likelihood of occurrence and its impact on the achievement of the Group's business objectives.

INTERNAL CONTROL SYSTEM

The key elements of the internal control system that provide effective governance and oversight of internal control are described as follow:

- (i) A well-defined organisational structure with clear lines of accountability and responsibilities provide a sound framework within the organisation in facilitating check and balance for proper decision making at the appropriate authority levels of management including matters that require the Board's approval.
- (ii) A documented delegation of authority that sets out decisions that need to be taken and the appropriate levels of management involved including matters that require the Board's approval.

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

INTERNAL CONTROL SYSTEM (CONT'D)

- (iii) The Board and AC meet at least once on a quarterly basis to review and deliberate on the unaudited quarterly financial reports, annual financial statements, internal audit reports and etc. Discussions with management were held to deliberate on the actions that are required to be taken to address internal control issues identified.
- (iv) Internal policies and procedures had been established for key business units within the Group.

INTERNAL AUDIT FUNCTION

The Group had appointed an independent professional firm, S F Chang Corporate Services Sdn. Bhd. ("SFC") to assist the Board and AC in performing regular and systematic review and provide independent assessment on the adequacy, efficiency and effectiveness of the Group's risk management and internal control system. SFC is free from any relationship or conflict of interest, which may impair their objectivity and independence of the internal audit function.

The total costs incurred in respect of the outsourced of internal audit functions for the financial year ended 31 December 2023 ("FYE2023") was RM22,500.

During the FYE2023, internal audit visits were carried out and the findings of the internal audit, including the recommended corrective actions, were presented directly to the AC.

In addition, follow up review will be conducted to ensure that corrective actions have been implemented on a timely manner. Based on the internal audit review conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this Annual Report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors had reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

CONCLUSION

For the financial year under review and up to the date of approval of this statement, the Board is of the opinion that the risk management and internal control system of the Group currently in place is adequate and effective to safeguard the Group's interests and assets.

In addition, the Board has received reasonable assurance from the Executive Directors that the Group's risk management and internal control system are adequate and operate effectively, in all material respects.

The Board will continue to assess and monitor the adequacy and effectiveness of the risk management and internal control system of the Group and to strengthen it, as and when necessary.

This statement is made in accordance with a resolution of the Board of Directors dated 25 March 2024.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

The Company did not implement any fund raising exercise during the financial year ended 31 December 2023 ("FYE2023").

SHARE ISSUANCE SCHEME ("SIS")

The SIS of the Company is governed by the SIS By-Laws and was approved by shareholders on 15 November 2014. The SIS option granted may be exercised any time upon the satisfaction of vesting conditions of each offer. The SIS is in force for a period of five (5) years effective from 13 March 2015 which is expiring on 12 March 2020, has been extended for another five (5) years to 12 March 2025 in accordance with the terms of the SIS By-Laws.

A brief detail on the number of SIS options granted, exercised, forfeited and outstanding since commencement to 31 December 2023 is set out in the table below:

Description	Number of Options	
	Grand Total	Directors and Chief Executives
Granted	210,000,000	112,950,000
Exercised	105,930,000	75,600,000
Forfeited	79,170,000	12,450,000
Outstanding	24,900,000	24,900,000

Notes:

1. None of the options granted has any vesting period.

The percentages of options applicable to Directors and Senior Management under the SIS during the financial year and since its commencement up to 31 December 2023 are set out below:

Directors and Senior Management	Percentage	
	During the financial year	Since commencement up to 31 December 2023
Aggregate maximum allocation	-	80%
Actual options granted	-	33%

The details of the options offered to and exercised by the Non-Executive Directors of the Company pursuant to the SIS in respect of the financial year are as follows:

Name	Number of Options	
	Number of Options Granted	Number of Options Exercised
Datuk Seri Rahadian Mahmud bin Mohammad Khalil	-	-
Tiew Chee Ming	-	-
Yeong Siew Lee	-	-

MATERIAL CONTRACTS

There were no material contracts entered into by the Group during FYE2023 involving the interests of the Directors and major shareholders.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

CONTRACT RELATED TO LOANS

There were no material contracts relating to loans entered into by the Group during FYE2023 involving Directors and major shareholders.

RECURRENT RELATED PARTY TRANSACTIONS

Details of transactions with related parties undertaken by the Group during FYE2023 are disclosed in Note 28 to the audited financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia.

The Directors are responsible to ensure that the financial statements are given a true and fair view of the financial position 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 then ended.

In preparing the financial statements, the Directors have observed the following criteria:

- overseeing the overall conduct of the company's business and that of the group;
- identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;
- reviewing the adequacy and integrity of internal controls system and management information system in the company and within the group;
- adopting suitable accounting policies and apply them consistently;
- making judgements and estimates that are reasonable and prudent; and
- ensuring that the financial statements were prepared on a going concern basis and in compliance with all applicable approved accounting standards in Malaysia subject to any material departures, if any, were disclosed.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 31 December 2023, appropriate accounting policies were used and applied consistently, and adopted to include new and revised Malaysian Financial Reporting Standards where applicable. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimise fraud and other irregularities.

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

Principal Activities

The principal activities of the Company consist of provision of management services and investment holding. The principal activities of its subsidiary companies are disclosed in Note 8 to the financial statements.

Financial Results

	Group RM	Company RM
Profit/(Loss) for the financial year	1,891,063	(5,219,221)
Attributable to:		
Owners of the Company	1,942,491	(5,219,221)
Non-controlling interests	(51,428)	-
	1,891,063	(5,219,221)

Reserves and Provisions

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

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

DIRECTORS' REPORT (CONT'D)

Issue of Shares and Debentures

During the financial year, the Company issued 34,252,800 new ordinary shares pursuant to the conversion of Warrants 2014/2024 at the exercise price of RM0.04 per ordinary share.

The new ordinary shares issued during the financial year shall rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

Treasury Shares

During the financial year, the Company repurchased 23,826,300 ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.12 per share. The total consideration paid for the repurchase was RM2,802,640. The repurchased transactions were financed by internal generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127(4) of the Companies Act 2016.

As at 31 December 2023, the Company held 74,587,500 treasury shares out of the total 1,161,930,160 issued ordinary shares. Further relevant details are disclosed in Note 14 to the financial statements.

Warrant Reserve

Warrant A

The Warrants 2014/2024 (Warrants A) were constituted under the Deed Poll dated 19 November 2014 as disclosed in the Note 15(a) to the financial statements.

As at 31 December 2023, the total number of Warrants A that remain unexercised were 288,750,500.

Warrant B

The Warrants 2021/2024 (Warrant B) were constituted under the Deed Poll dated 18 June 2021 as disclosed in the Note 15(a) to the financial statements.

As at 31 December 2023, the total numbers of Warrants B that remain unexercised were 106,920,742.

DIRECTORS' REPORT (CONT'D)

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Share Issuance Scheme Options ("SIS").

At the Extraordinary General Meeting held on 15 November 2014, the Company's shareholders approved the establishment of SIS of not more than 30% of the issued and paid-up share capital of the Company at the point of time throughout the duration of the scheme to eligible Directors and employees of the Group. The salient features and other terms of the SIS are disclosed in the Note 27 to the financial statements.

As at 31 December 2023, the options offered to take up unissued ordinary shares and the exercise price are as follows:

Date of offer	Number of Options over ordinary shares			
	Exercise price (RM)	At 1.1.2023	Exercised	At 31.12.2023
24 March 2015	0.061	24,900,000	-	24,900,000

Directors

The Directors in office during the financial year until the date of this report are:

Datuk Seri Rahadian Mahmud Bin Mohammad Khalil
 Toh Hong Chye*
 Wong Ngai Peow*
 Yong Mai Fang*
 Tiew Chee Ming*
 Yeong Siew Lee

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year up to the date of this report:

Yong Kin Sheng (Resigned on 15 March 2024)

** Director of the Company and its subsidiary companies*

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

DIRECTORS' REPORT (CONT'D)

Directors' Interests in Shares

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2023	Acquired	Sold	At 31.12.2023
Interests in the Company				
Direct interests				
Toh Hong Chye	159,888,300	-	-	159,888,300
Wong Ngai Peow	10,213,500	-	-	10,213,500
Yong Mai Fang	21,300,000	-	-	21,300,000
Datuk Seri Rahadian Mahmud bin Mohammad Khalil	4,500,000	-	-	4,500,000
Indirect interests				
Toh Hong Chye #	126,000,000	-	-	126,000,000
Yong Mai Fang #	126,000,000	-	-	126,000,000

	Number of Warrants A			
	At 1.1.2023	Acquired	Sold	At 31.12.2023
Interests in the Company				
Direct interests				
Toh Hong Chye	12,750,000	-	-	12,750,000

	Number of Warrants B			
	At 1.1.2023	Acquired	Sold	At 31.12.2023
Interests in the Company				
Direct interests				
Datuk Seri Rahadian Mahmud bin Mohammad Khalil	450.000	-	-	450.000

DIRECTORS' REPORT (CONT'D)

Directors' Interests in Shares (Cont'd)

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows: (Cont'd)

	Number of options over ordinary shares		
	At 1.1.2023	Granted/ Vested	At 31.12.2023
Interests in the Company			
Direct interests			
Toh Hong Chye	24,900,000	-	- 24,900,000

Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of his/her substantial shareholdings in Richmond Virginia Tobacco Sdn. Bhd.

By virtue of their interests in the shares of the Company, Toh Hong Chye is also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

Other than as disclosed above, none of the other Directors in office at the end of the financial year have any interest in shares in the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than Director who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 28 to the financial statements.

DIRECTORS' REPORT (CONT'D)

Directors' Benefits (Cont'd)

The details of the directors' remuneration for the financial year ended 31 December 2023 are set out below:

	Group RM	Company RM
Salaries, fees and other emoluments	1,823,500	337,500
Defined contributions plans	279,645	38,050
Social security contributions	7,794	1,554
Employee insurance system	890	178
Benefits-in-kind	49,200	18,000
	<u>2,161,029</u>	<u>395,282</u>

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than the issue of Warrants and Employees Share Option Scheme.

Indemnity and Insurance Costs

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM2,000,000 and RM15,000 respectively. No indemnity was given to or insurance effected for auditors of the Group during the financial year.

Other Statutory Information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that 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 there were no bad debts to be written off and adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

DIRECTORS' REPORT (CONT'D)

Other Statutory Information (Cont'd)

- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) 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; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature 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.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 8 to the financial statements.

DIRECTORS' REPORT (CONT'D)

Auditors

The Auditors, Messrs. TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

Auditors' remuneration for the Group and for the Company as set out in Note 21 to the financial statements are RM77,000 and RM31,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 25 March 2024.

TOH HONG CHYE

WONG NGAI PEOW

KUALA LUMPUR

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 59 to 150 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 25 March 2024.

TOH HONG CHYE

WONG NGAI PEOW

KUALA LUMPUR

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, TOH HONG CHYE (NRIC No.: 750702-10-5695) (MIA 17804), being the Director primarily responsible for the financial management of AppAsia Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 59 to 150 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 25 March 2024)

TOH HONG CHYE

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APPASIA BERHAD

[REGISTRATION NO.: 200401005180 (643683-U)]
(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AppAsia Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the 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 59 to 150.

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 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APPASIA BERHAD (CONT'D)

[REGISTRATION NO.: 200401005180 (643683-U)]
(INCORPORATED IN MALAYSIA)

Basis for Opinion (Cont'd)

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key audit matters	How we addressed the key audit matters
<p>Recoverability of trade receivables</p> <p>The Group's trade receivables amounting to RM14.90 million, representing approximately 53% of the Group's total assets as at 31 December 2023.</p> <p>The assessment of recoverability of receivables involved significant judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.</p>	<p>We obtained the understanding of the Group's credit risk policy, and tested the processes used by management to assess credit exposures.</p> <p>We assessed the reasonableness of the methods and assumptions used by management in estimating the recoverable amount and expected credit loss, which include consideration of the current economic.</p> <p>We tested the accuracy and completeness of the data used by the management.</p>

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APPASIA BERHAD (CONT'D)

[REGISTRATION NO.: 200401005180 (643683-U)]
(INCORPORATED IN MALAYSIA)

Key Audit Matters (Cont'd)

Key audit matters	How we addressed the key audit matters
Recoverability of trade receivables (Cont'd)	<p>We reviewed the adequacy of the amount of expected credit loss and inquired the management regarding the recoverability of a sample of trade receivables that are past due but not impaired accounts and review of customers' correspondence.</p> <p>We evaluated the appropriateness and adequacy of the disclosures of expected credit loss in accordance with MFRS 9 <i>Financial Instruments</i>.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APPASIA BERHAD (CONT'D)

[REGISTRATION NO.: 200401005180 (643683-U)]
(INCORPORATED IN MALAYSIA)

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APPASIA BERHAD (CONT'D)

[REGISTRATION NO.: 200401005180 (643683-U)]
(INCORPORATED IN MALAYSIA)

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)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APPASIA BERHAD (CONT'D)

[REGISTRATION NO.: 200401005180 (643683-U)]
(INCORPORATED IN MALAYSIA)

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

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

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

Other Matters

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

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

LIM GE RU
03360/03/2026 J
Chartered Accountant

KUALA LUMPUR
25 March 2024

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	468,138	531,107	220,754	103,083
Investment properties	5	2,058,000	2,132,000	2,058,000	2,132,000
Right-of-use assets	6	452,298	408,230	240,427	244,958
Intangible assets	7	1,323,481	1,821,789	-	-
Investment in subsidiary companies	8	-	-	14,403,724	15,814,070
Trade receivables	9	53,751	458,643	-	-
		<u>4,355,668</u>	<u>5,351,769</u>	<u>16,922,905</u>	<u>18,294,111</u>
Current assets					
Trade receivables	9	14,849,916	15,869,505	-	2,000
Other receivables	10	868,744	1,938,156	113,644	114,780
Amount due from subsidiary companies	11	-	-	6,257,897	10,531,543
Tax recoverable		286,692	96,567	5,366	4,176
Cash and bank balances	12	7,992,310	4,718,252	1,208,574	445,556
		<u>23,997,662</u>	<u>22,622,480</u>	<u>7,585,481</u>	<u>11,098,055</u>
Total assets		28,353,330	27,974,249	24,508,386	29,392,166

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (CONT'D)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
EQUITY					
Share capital	13	32,102,783	30,732,671	32,102,783	30,732,671
Treasury shares	14	(10,369,286)	(7,566,646)	(10,369,286)	(7,566,646)
Reserves	15	3,431,686	1,166,959	(535,595)	4,683,626
Equity attributable to owners of the Company		25,165,183	24,332,984	21,197,902	27,849,651
Non-controlling interests		(286,563)	(235,135)	-	-
Total equity		24,878,620	24,097,849	21,197,902	27,849,651
LIABILITIES					
Non-current liability					
Lease liabilities	16	66,770	7,912	-	-
Current liabilities					
Trade payables	17	598,139	322,082	-	-
Other payables	18	2,397,309	3,137,342	97,847	93,763
Amount due to subsidiary companies	11	-	-	2,963,032	1,199,147
Lease liabilities	16	400,212	408,925	249,605	249,605
Tax payable		12,280	139	-	-
		3,407,940	3,868,488	3,310,484	1,542,515
Total liabilities		3,474,710	3,876,400	3,310,484	1,542,515
Total equity and liabilities		28,353,330	27,974,249	24,508,386	29,392,166

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 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	19	22,776,076	59,922,965	1,512,264	1,558,973
Cost of sales		<u>(12,618,289)</u>	<u>(51,986,658)</u>	<u>(28,800)</u>	<u>(28,800)</u>
Gross profit		10,157,787	7,936,307	1,483,464	1,530,173
Other income		470,195	307,231	47,919	19,918
Administrative expenses		(7,898,101)	(7,113,808)	(3,035,481)	(2,264,100)
Net (loss)/gain on impairment of of financial assets		<u>(14,180)</u>	<u>11,101</u>	<u>(3,658,610)</u>	<u>-</u>
Profit/(Loss) from operation		2,715,701	1,140,831	(5,162,708)	(714,009)
Finance cost	20	<u>(37,791)</u>	<u>(24,619)</u>	<u>(23,407)</u>	<u>(14,460)</u>
Profit/(Loss) before tax	21	2,677,910	1,116,212	(5,186,115)	(728,469)
Taxation	22	<u>(786,847)</u>	<u>(542,795)</u>	<u>(33,106)</u>	<u>(22,841)</u>
Profit/(Loss) for the financial year		<u>1,891,063</u>	<u>573,417</u>	<u>(5,219,221)</u>	<u>(751,310)</u>

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 2023 (CONT'D)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Changes in fair value of digital assets at fair value through other comprehensive income		322,236	-	-	-
Total comprehensive income/(loss) for the financial year		<u>2,213,299</u>	<u>573,417</u>	<u>(5,219,221)</u>	<u>(751,310)</u>
Profit/(Loss) for the financial year, attributable to:					
Owners of the Company		1,942,491	606,848	(5,219,221)	(751,310)
Non-controlling interests		<u>(51,428)</u>	<u>(33,431)</u>	<u>-</u>	<u>-</u>
		<u>1,891,063</u>	<u>573,417</u>	<u>(5,219,221)</u>	<u>(751,310)</u>

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Total comprehensive income for the financial year attributable to:					
Owners of the Company		2,264,727	606,848	(5,219,221)	(751,310)
Non-controlling interests		(51,428)	(33,431)	-	-
		<u>2,213,299</u>	<u>573,417</u>	<u>(5,219,221)</u>	<u>(751,310)</u>
Earnings per share (sen)					
Basic earnings per share	23(a)	<u>0.18</u>	<u>0.06</u>		
Diluted earnings per share	23(b)	<u>0.15</u>	<u>0.05</u>		

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Note	Attributable to the Owners of the Company							
		Non-Distributable				Distributable			
		Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Other Reserve RM	Share Issuance Option Reserve RM	Fair value Reserve RM	Retained Earnings RM	Non-Controlling Interests RM
At 1 January 2023		30,732,671	(7,566,646)	16,258,519	(16,258,519)	600,090	-	566,869	(235,135)
Profit for the financial year		-	-	-	-	-	-	1,942,491	-
Net changes in fair value of digital asset		-	-	-	-	-	322,236	-	(51,428)
Total comprehensive income/(loss) for the financial year		-	-	-	-	-	322,236	1,942,491	(51,428)
Transactions with owners:									
Conversion of warrants	13	1,370,112	-	(1,724,057)	1,724,057	-	-	-	-
Shares repurchased	14	-	(2,802,640)	-	-	-	-	-	-
Total transactions with owners		1,370,112	(2,802,640)	(1,724,057)	1,724,057	-	-	(1,432,528)	-
At 31 December 2023		32,102,783	(10,369,286)	14,534,462	(14,534,462)	600,090	322,236	2,509,360	(286,563)
								24,332,984	24,097,849
								2,264,727	2,213,299
								1,370,112	1,370,112
								(2,802,640)	(2,802,640)
								(1,432,528)	(1,432,528)
								25,165,183	24,878,620

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

Group		Attributable to the Owners of the Company									
		Non-Distributable					Distributable				
		Share Capital	Treasury Shares	Warrant Reserve	Other Reserve	Share Issuance Scheme Option Reserve	(Accumulated Losses)/ Retained Earnings	Total	Non-Controlling Interests	Total Equity	
Note	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
At 1 January 2022	30,727,871	(7,173,700)	16,264,559	(16,264,559)	600,090	(39,979)	24,114,282	(201,704)	23,912,578		
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year	-	-	-	-	-	606,848	606,848	(33,431)	573,417		
Transactions with owners:											
Conversion of warrants	13	4,800	-	(6,040)	6,040	-	-	4,800	-	4,800	
Shares repurchased	14	-	(392,946)	-	-	-	-	(392,946)	-	(392,946)	
Total transactions with owners		4,800	(392,946)	(6,040)	6,040	-	-	(388,146)	-	(388,146)	
At 31 December 2022		30,732,671	(7,566,646)	16,258,519	(16,258,519)	600,090	566,869	24,332,984	(235,135)	24,097,849	

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

Company	Note	Attributable to the Owners of the Company					
		Non-Distributable			Distributable		
		Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Other Reserve RM	Share Issuance Scheme Option Reserve RM	Total Equity RM
At 1 January 2023		30,732,671	(7,566,646)	16,258,519	(16,258,519)	600,090	27,849,651
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	-	(5,219,221)
Transactions with owners:							
Conversion of warrants	13	1,370,112	-	(1,724,057)	1,724,057	-	1,370,112
Shares repurchased	14	-	(2,802,640)	-	-	-	(2,802,640)
Total transactions with owners		1,370,112	(2,802,640)	(1,724,057)	1,724,057	-	(1,432,528)
At 31 December 2023		32,102,783	(10,369,286)	14,534,462	(14,534,462)	600,090	21,197,902

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

Company	Note	Attributable to the Owners of the Company					
		Non-Distributable			Distributable		
		Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Other Reserve RM	Share Issuance Scheme Option Reserve RM	Total Equity RM
At 1 January 2022		30,727,871	(7,173,700)	16,264,559	(16,264,559)	600,090	28,989,107
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	-	(751,310)
Transactions with owners:							
Conversion of warrants	13	4,800	-	(6,040)	6,040	-	4,800
Shares repurchased	14	-	(392,946)	-	-	-	(392,946)
Total transactions with owners		4,800	(392,946)	(6,040)	6,040	-	(388,146)
At 31 December 2022		30,732,671	(7,566,646)	16,258,519	(16,258,519)	600,090	27,849,651

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash flows from operating activities				
Profit/(Loss) before tax	2,677,910	1,116,212	(5,186,115)	(728,469)
Adjustments for:				
Amortisation of intangible assets	603,344	798,433	-	-
Depreciation of:				
- investment properties	49,597	50,000	49,597	50,000
- property, plant and equipment	239,084	248,126	55,245	75,120
- right-of-use assets	399,435	406,080	235,896	244,958
Deposit forfeited	3,200	-	-	-
Fair value adjustment of investment property	24,403	20,167	24,403	20,167
Impairment losses on:				
- investment in subsidiary companies	-	-	1,410,346	504,600
- amount due from subsidiary companies	-	-	3,658,610	-
- trade receivables	19,048	-	-	-
- other receivables	194	-	-	-
- digital assets	-	80,864	-	-
Reversal of impairment losses on trade receivables	(5,062)	(11,101)	-	-
Reversal of impairment losses on digital assets	(80,864)	-	-	-
Reclassification of property, plant and equipment	13,500	-	-	-
Bad debts written off	-	1,500	-	-
Property, plant and equipment written off	6,400	2	-	2
Gain on disposal of:				
- property, plant and equipment	(47,823)	-	(46,000)	-
- digital assets	(143,701)	(129,220)	-	-

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash flows from operating activities (Cont'd)				
Finance cost	37,791	24,619	23,407	14,460
Unrealised gain on foreign exchange	(30)	(235)	-	(2)
Interest income	(82,770)	(109,079)	(6,264)	(5,573)
Operating profit before working capital changes	3,713,656	2,496,368	219,125	175,263
Change in working capital:				
Receivables	2,476,513	(2,338,686)	3,136	(13,634)
Payables	(463,976)	(2,555,266)	4,084	7,346
Subsidiary companies	-	-	(1,415,864)	(752,917)
	2,012,537	(4,893,952)	(1,408,644)	(759,205)
Cash generated from/ (used in) operations	5,726,193	(2,397,584)	(1,189,519)	(583,942)
Interest paid	(37,791)	(24,619)	(23,407)	(14,460)
Interest received	82,770	109,079	6,264	5,573
Tax paid	(969,848)	(660,212)	(34,296)	(27,430)
Tax refund	5,017	36,000	-	-
Net cash from/(used in) operating activities	4,806,341	(2,937,336)	(1,240,958)	(620,259)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(326,234)	(235,626)	(256,916)	(5,998)
Acquisition of digital assets	(97)	(792,830)	-	-
Proceeds from disposal of property, plant and equipment	178,042	-	130,000	-
Proceeds from disposal of digital assets	441,862	306,796	-	-
Net cash from/(used in) investing activities	293,573	(721,660)	(126,916)	(5,998)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash flows from financing activities				
Repayment from/(Advance to) subsidiary companies	-	-	3,794,785	(394,308)
Proceeds from conversion of warrants	1,370,112	4,800	1,370,112	4,800
Payment of lease liabilities	(393,358)	(399,302)	(231,365)	(240,311)
Purchase of treasury shares	(2,802,640)	(392,946)	(2,802,640)	(392,946)
Net cash (used in)/from financing activities	<u>(1,825,886)</u>	<u>(787,448)</u>	<u>2,130,892</u>	<u>(1,022,765)</u>
Net increase/(decrease) in cash and cash equivalents	3,274,028	(4,446,444)	763,018	(1,649,022)
Effect of exchange translation differences on cash and cash equivalents	30	235	-	2
Cash and cash equivalents at the beginning of the financial year	<u>4,718,252</u>	<u>9,164,461</u>	<u>445,556</u>	<u>2,094,576</u>
Cash and cash equivalents at the end of the financial year	<u>7,992,310</u>	<u>4,718,252</u>	<u>1,208,574</u>	<u>445,556</u>
Cash and cash equivalents at the end of the financial year comprises:				
Cash and bank balances	<u>7,992,310</u>	<u>4,718,252</u>	<u>1,208,574</u>	<u>445,556</u>

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. Corporate Information

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

The registered office of the Company is located at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

The principal place of business of the Company is at 1-40-1, Menara Bangkok Bank, Berjaya Central Park, No. 105, Jalan Ampang, 50450 Kuala Lumpur, Malaysia.

The principal activities of the Company consist of provision of management services and investment holding. The principal activities of its subsidiary companies are disclosed in Note 8. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

2. Basis of Preparation

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

New MFRSs adopted during the financial year

During the financial year, the Group and the Company have adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of the new MFRSs and amendments to MFRSs did not have any material impact on the financial statements of the Group and of the Company, except for:

Material accounting policy information

The Group and the Company adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 - *Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of "material" rather than "significant" accounting policies.

The amendments did not result in any changes to the accounting policy, it impacted the accounting policy information disclosed in Note 3 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

New MFRSs issued but not yet effective

The Group and the Company have not applied the following amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods <u>beginning on or after</u>
Amendments to MFRS 16	Lease Liability in Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above amendments to MFRSs when they become effective.

The initial application of the above-mentioned amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has a lease contract that includes extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group includes the renewal period as part of the lease term for leases office building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulation.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Satisfaction of performance obligations in relation to contracts with customers (Cont'd)

The Group recognises revenue over time in the following circumstances:

- (a) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) The Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- (c) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Key sources of estimation uncertainty

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

Useful lives/depreciation of property, plant and equipment, investment properties and right-of-use ("ROU") asset

The Group regularly reviews the estimated useful lives of property, plant and equipment, investment properties and ROU asset based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, investment properties and ROU asset would increase the recorded depreciation and decrease the value of property, plant and equipment, investment properties and ROU asset. The carrying amount at the reporting date for property, plant and equipment, investment properties and ROU asset are disclosed in Notes 4, 5 and 6 respectively.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Development expenditures

The Group capitalises development expenditures for a project in accordance with the accounting policy as disclosed in Note 3(f)(i). Initial capitalisation of development expenditures is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generations of the project, discount rates to be applied and the expected period of benefits. The carrying amount at the reporting date for development expenditures is disclosed in Note 7.

Recoverability of development expenditures

During the financial year, the Directors considered the recoverability of the Group's development expenditures arising from its development of E-confirmation platform, webpage marketplace and mobile application system development.

These projects continue to progress in a satisfactory manner, and customers reaction have reconfirmed the Directors' previous estimates of anticipated revenues from the projects. However, increased competitors activities have caused the Directors to reconsider their assumptions regarding future market share and anticipated margins of these products. Detailed sensitivity analysis has been carried out and the Directors are confident that the carrying amount of the asset will be recovered in full, even if returns are reduced. This situation will be closely monitored, and adjustments made in future periods, if market activity indicates that such adjustments are appropriate. The carrying amount at the reporting date for development expenditures is disclosed in Note 7.

Amortisation of intangible assets

The Group regularly reviews the estimated useful lives of intangible assets based on the changes in the expected level of usage and technological development, therefore future amortisation charges could be revised. The carrying amount at the reporting date for intangible assets is disclosed in Note 7.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses, unutilised capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unutilised tax losses, unutilised capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 24.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract due to discounts or penalties in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods and rendering of services are based on invoiced values. Discounts are not considered as they are only given in rare circumstances.

Provision for expected credit loss of financial assets at amortised cost

The Group reviews the recoverability of its receivables, include trade and other receivables, amount due from subsidiary companies at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions at the end of each reporting period.

The carrying amounts at the reporting date for receivables are disclosed in Notes 9, 10 and 11 respectively.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available.

Employee share options

The Group measures 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 grant. This estimate also require determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Details of assumptions made in respect of the share-based payment scheme are disclosed in Notes 15(c) and 27 respectively.

Income taxes

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 liabilities for expected tax issues 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 differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2023, the Group has tax recoverable and payable of RM286,692 (2022: RM96,567) and RM12,280 (2022: RM139) respectively. The Company has tax recoverable of RM5,366 (2022: RM4,176).

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

3. Material Accounting Policy Information

The Group adopted the Amendments to MFRS 101 *Presentation of Financial Statements* and MFRS Practice Statement 2 - *Disclosure of Accounting Policies* effective from 1 January 2023. The amendments require the disclosure of “material”, rather than “significant” accounting policies. The amendments did not result in any changes to the accounting policy information disclosed in the financial statements.

The accounting policies set out below have been applied consistently to all periods presented in this financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing whether the Group has power over another entity. Subsidiary companies are fully consolidated from the date that control commences until the date that control ceases.

In the Company’s separate financial statements, investment in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See Note 3(k)(i) for accounting policy on impairment of non-financial assets.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are eliminated. Unrealised losses are eliminated only if there is no indication of impairment.

(ii) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of new subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of acquiree’s identifiable net assets.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(a) Basis of consolidation (Cont'd)

(ii) Business combinations (Cont'd)

When the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss recognised in profit or loss.

The initial accounting for the acquisition of the new subsidiary company is incomplete by the end of the reporting period, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

The contingent consideration to be transferred by the Group recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Transaction costs, other than those associated with the issuance of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary companies not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the financial year between the non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary company are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(a) Basis of consolidation (Cont'd)

(iii) Non-controlling interests (Cont'd)

The Group treats all changes in its ownership interest in a subsidiary company that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

When the Group loses control over a subsidiary company, it recognised the assets and liabilities of the former subsidiary company, including any goodwill, and non-controlling interests and other components of equity related to the former subsidiary company from the consolidated statement of financial position. Any resulting gains or loss recognised in profit or loss. If the Group retains any interest in the former subsidiary company, then such interest is remeasured at fair value when control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

(v) Goodwill on consolidation

Goodwill is initially recognised at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable net assets acquired and liabilities assumed). If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

After the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See Note 3(k)(i) for accounting policy on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(b) Foreign currency transactions

Transactions in foreign currency are recorded in the functional currency of the Group entities using the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the exchange rates on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated to the functional currency at the exchange rates at the date when the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are not retranslated.

Exchange differences arising on the settlement of monetary items, or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period, except for the differences arising on the translation of non-monetary items in respect of which gains and losses recognised directly in equity. Foreign currency differences arising from such non-monetary items are recognised in other comprehensive income.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. See Note 3(k)(i) for accounting policy on impairment of non-financial assets.

(i) Recognition and measurement

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

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

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

(i) Recognition and measurement (Cont'd)

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

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds and the net carrying amount recognised in profit or loss.

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Furniture and fittings	20%
Office equipment	20%
Computers	50%
Camera equipment	20%
Motor vehicles	20%
Renovation	50%

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(iv) Derecognition

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between net disposal proceeds, if any, and the net carrying amount recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(d) Leases

(i) As lessee

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

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. See Note 3(k)(i) for accounting policy on impairment of non-financial assets.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Office buildings	Over the remaining lease period
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The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate can not be readily determined, the respective Group entities' incremental borrowing rates is used. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments exclude variable lease payments that are dependent on future performance or usage of the underlying asset from the lease liability. These payment recognised as expenses in profit or loss in the period in which the performance or use occurs.

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

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(d) Leases (Cont'd)

(i) As lessee (Cont'd)

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have lease term of 12 months or less and leases of low value assets at less than RM20,000 each when purchase new. The Group recognises the lease payments associated with these leases as an expense on straight-line basis over the lease term.

(ii) As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

Rental income from operating lease recognised as income on a straight-line basis over the lease term. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

(e) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation, or for both, are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Freehold land and buildings	2%
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See Note 3(k)(i) for accounting policy on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(e) Investment properties (Cont'd)

Investment properties are derecognised upon disposal, with the resulting gains and losses recognised in the profit or loss.

(f) Intangible assets

(i) Internally-generated intangible assets - research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete; and
- the ability to measure reliably the expenditure during development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Development expenditure not satisfying the above criteria recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated depreciation and accumulated impairment losses. Capitalised development expenditures are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expenses recognised in profit or loss on a straight-line basis and included within the cost of sales or administrative expenses.

(ii) Intangible assets acquired separately

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Capitalised costs are amortised on a straight-line basis over their estimated useful lives. Amortisation expenses are recognised in profit or loss and included within the cost of sales or administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(f) Intangible assets (Cont'd)

(iii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iv) Derecognition of intangible assets

An intangible asset is derecognised on disposal. Gains or losses on disposal is measured as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised in profit or loss within other income or other expenses.

See Note 3(k)(i) for accounting policy on impairment of non-financial assets.

(g) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

A financial asset, except for trade receivable without financing component, is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

The Group and the Company determine the classification of their financial assets at initial recognition as financial assets measured at amortised cost.

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

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(g) Financial assets (Cont'd)

Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables, cash and bank balances.

The Group and the Company have not designated any financial assets at fair value through other comprehensive income and FVTPL.

Financial assets are derecognised when the contractual rights to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received for financial instrument is recognised in profit or loss.

(h) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company classify their financial liabilities measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(h) Financial liabilities (Cont'd)

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

The Group's financial liabilities designated as amortised cost comprise trade and other payables and lease liabilities.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(i) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(k) Impairment of assets

(i) Impairment of non-financial assets

At each reporting date, the Group and the Company review the carrying amounts of non-financial assets, other than digital assets and investment properties measured at fair value to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs and pro-rated to the asset by reference to the cost of the asset to the cost of the cash-generating unit.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(k) Impairment of assets (Cont'd)

(i) Impairment of non-financial assets (Cont'd)

Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decreased to the extent of a previously recognised revaluation surplus for the same asset. Any impairment losses recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

Reversal of impairment losses recognised in prior periods is recorded when there is an indication that the impairment losses recognised for the asset no longer exists. The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of depreciation or amortisation), had no impairment loss been recognised. Reversal of impairment losses are credited to profit or loss.

(ii) Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost and financial lease receivable. ECLs is estimated as the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group applies the simplified approach to provide for ECLs for all trade receivables (including finance lease receivable), other receivable and inter-company balances. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. If credit risk has not increased significantly since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(k) Impairment of assets (Cont'd)

(ii) Impairment of financial assets (Cont'd)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment that includes forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is past due.

(l) Share capital

(i) Ordinary shares

Ordinary shares are classified as equity. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs.

Dividends on ordinary shares are recognised as a liability in the period they are declared.

(ii) Treasury shares

The Company repurchases its own share capital which is measured at cost, being the consideration paid, including directly attributable costs. These costs are recognised as a deduction from equity as treasury shares until the shares are cancelled, reissued or disposed of. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as dividends, the cost of the treasury shares distributed is deducted against the retained earnings of the Company.

When treasury shares are subsequently sold in the open market or reissued, the difference between the sales consideration, net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(m) Provisions and contingent liabilities

Provisions are recognised when the Group have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(n) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plans

The Group's contribution to statutory pension funds are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Share-based payment transactions

Equity-settled Share-based Payment Transaction

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase share option reserve in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(o) Revenue recognition

(i) Revenue from contracts with customers

Sale of goods

The Group sells a range of merchandise to local customers. Revenue from sale of goods is recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of goods.

Revenue is recognised based on the price specified in the contract, net of any discounts.

Sales are made with a credit term of 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts delivery of the goods.

There is no right of return and warranty provided to the customer on the sale of products.

Rendering of services

Revenue from services and management fees are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to receive payment for the services.

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Interest income

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

(iv) Financing income

Financing income is accounted for on an accrual basis by reference to rest periods as stipulated in the loan agreements.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(p) Government grants

Government grant relates to an expense item is recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

(q) Borrowing costs

All other borrowing costs are recognised in profit or loss in the period in which they are incurred and reported in finance costs.

(r) Income taxes

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to tax payable in respect of previous financial years.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax asset are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be allowable to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be utilised.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(r) Income taxes (Cont'd)

(ii) Deferred tax (Cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items related to the underlying transactions are recognised either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset, if there is a legally enforceable rights exist to set off current tax assets against current tax liabilities, and the deferred taxes relate to the same taxable entity and the same tax authority.

(s) Operating segments

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

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

4. Property, Plant and Equipment

Group 2023 Cost	Furniture and fittings RM	Office equipment RM	Computers RM	Camera equipment RM	Motor vehicles RM	Renovation RM	Total RM
At 1 January 2023	189,844	122,098	632,663	73,380	512,000	865,660	2,395,645
Additions	-	-	57,225	18,998	250,011	-	326,234
Disposals	(15,400)	(5,980)	(88,425)	(6,480)	(252,000)	-	(368,285)
Written off	(4,135)	-	-	-	-	(13,519)	(17,654)
Reclassification	-	-	(13,500)	-	-	-	(13,500)
At 31 December 2023	170,309	116,118	587,963	85,898	510,011	852,141	2,322,440
Accumulated depreciation							
At 1 January 2023	157,352	103,489	493,078	34,246	220,401	855,972	1,864,538
Charge for the financial year	12,278	5,833	96,138	16,558	102,101	6,176	239,084
Disposals	(4,620)	(1,695)	(60,619)	(3,132)	(168,000)	-	(238,066)
Written off	(1,241)	-	-	-	-	(10,013)	(11,254)
At 31 December 2023	163,769	107,627	528,597	47,672	154,502	852,135	1,854,302
Carrying amount							
At 31 December 2023	6,540	8,491	59,366	38,226	355,509	6	468,138

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

4. Property, Plant and Equipment (Cont'd)

Group	Furniture and fittings RM	Office equipment RM	Computers RM	Camera equipment RM	Motor vehicles RM	Renovation RM	Total RM
2022							
Cost							
At 1 January 2022	170,309	111,098	467,411	73,380	512,000	852,141	2,186,339
Additions	19,535	11,000	191,572	-	-	13,519	235,626
Written off	-	-	(26,320)	-	-	-	(26,320)
At 31 December 2022	189,844	122,098	632,663	73,380	512,000	865,660	2,395,645
Accumulated depreciation							
At 1 January 2022	146,377	98,875	425,435	19,569	118,001	834,473	1,642,730
Charge for the financial year	10,975	4,614	93,961	14,677	102,400	21,499	248,126
Written off	-	-	(26,318)	-	-	-	(26,318)
At 31 December 2022	157,352	103,489	493,078	34,246	220,401	855,972	1,864,538
Carrying amount							
At 31 December 2022	32,492	18,609	139,585	39,134	291,599	9,688	531,107

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

4. Property, Plant and Equipment (Cont'd)

	Furniture and fittings RM	Office equipment RM	Computers RM	Motor vehicles RM	Renovation RM	Total RM
Company						
2023						
At 1 January 2023	126,829	96,057	265,607	252,000	631,617	1,372,110
Additions	-	-	6,905	250,011	-	256,916
Disposals	-	-	-	(252,000)	-	(252,000)
At 31 December 2023	126,829	96,057	272,512	250,011	631,617	1,377,026
Accumulated depreciation						
At 1 January 2023	126,809	93,878	261,325	155,401	631,614	1,269,027
Charge for the financial year	-	994	4,150	50,101	-	55,245
Disposals	-	-	-	(168,000)	-	(168,000)
At 31 December 2023	126,809	94,872	265,475	37,502	631,614	1,156,272
Carrying amount						
At 31 December 2023	20	1,185	7,037	212,509	3	220,754

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

4. Property, Plant and Equipment (Cont'd)

	Furniture and fittings RM	Office equipment RM	Computers RM	Motor vehicles RM	Renovation RM	Total RM
Company						
2022						
Cost						
At 1 January 2022	126,829	96,057	265,669	252,000	631,617	1,372,172
Additions	-	-	5,998	-	-	5,998
Written off	-	-	(6,060)	-	-	(6,060)
At 31 December 2022	126,829	96,057	265,607	252,000	631,617	1,372,110
Accumulated depreciation						
At 1 January 2022	126,809	92,884	243,657	105,001	631,614	1,199,965
Charge for the financial year	-	994	23,726	50,400	-	75,120
Written off	-	-	(6,058)	-	-	(6,058)
At 31 December 2022	126,809	93,878	261,325	155,401	631,614	1,269,027
Carrying amount						
At 31 December 2022	20	2,179	4,282	96,599	3	103,083

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

5. Investment Properties

	Freehold land and buildings	
	2023	2022
	RM	RM
Group and Company		
Cost		
At 1 January/31 December	<u>2,500,000</u>	<u>2,500,000</u>
Accumulated depreciation		
At 1 January	347,833	297,833
Charge for the financial year	49,597	50,000
At 31 December	<u>397,430</u>	<u>347,833</u>
Accumulated impairment loss		
At 1 January	20,167	-
Impairment losses recognised	24,403	20,167
At 31 December	<u>44,570</u>	<u>20,167</u>
Carrying amount		
At 31 December	<u>2,058,000</u>	<u>2,132,000</u>
Fair value of investment properties	<u>2,100,000</u>	<u>2,200,000</u>

(a) Fair value basis of investment properties

Fair value of investment properties was estimated by the Directors based on the internal appraisal of market values of comparable properties. The fair value measurements of the investment properties are based on the highest and best use, which does not differ from their actual use. The fair values are within level 3 of the fair value hierarchy. The fair values have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

There were no transfers between levels during current and previous financial year.

The decrease in the fair values of RM24,403 (2022: RM20,167) has been recognised in the profit or loss during the financial year.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

5. Investment Properties (Cont'd)

(b) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group and Company	
	2023	2022
	RM	RM
Rental income	-	11,400
Direct operating expenses	(5,960)	(5,960)
	<u> </u>	<u> </u>

6. Right-of-use Assets

	2023	2022
	RM	RM
Group		
Office buildings		
Cost		
At 1 January	866,838	236,281
Additions	451,598	748,647
Termination of lease	(36,676)	-
Expired lease contract	(118,191)	(118,090)
At 31 December	<u>1,163,569</u>	<u>866,838</u>
Accumulated depreciation		
At 1 January	458,608	170,618
Charge for the financial year	399,435	406,080
Termination of lease	(28,581)	-
Expired lease contract	(118,191)	(118,090)
At 31 December	<u>711,271</u>	<u>458,608</u>
Carrying amount		
At 31 December	<u>452,298</u>	<u>408,230</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

6. Right-of-use Assets (Cont'd)

	2023 RM	2022 RM
Company		
Office buildings		
Cost		
At 1 January	489,916	-
Additions	231,365	489,916
At 31 December	<u>721,281</u>	<u>489,916</u>
Accumulated depreciation		
At 1 January	244,958	-
Charge for the financial year	235,896	244,958
At 31 December	<u>480,854</u>	<u>244,958</u>
Carrying amount		
At 31 December	<u>240,427</u>	<u>244,958</u>

7. Intangible Assets

	Development expenditures RM	Digital assets RM	Licence RM	Total RM
Group				
2023				
At 1 January 2023	4,652,916	615,254	522,110	5,790,280
Additions	-	97	-	97
Disposals	-	(298,161)	-	(298,161)
Increase resulting from fair value changes	-	322,236	-	322,236
At 31 December 2023	<u>4,652,916</u>	<u>639,426</u>	<u>522,110</u>	<u>5,814,452</u>
Accumulated amortisation				
At 1 January 2023	3,365,517	-	522,110	3,887,627
Charge for the financial year	603,344	-	-	603,344
At 31 December 2023	<u>3,968,861</u>	<u>-</u>	<u>522,110</u>	<u>4,490,971</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

7. Intangible Assets (Cont'd)

	Development expenditures RM	Digital assets RM	Licence RM	Total RM
Group				
2023				
Accumulated impairment loss				
At 1 January 2023	-	80,864	-	80,864
Reversal on impairment losses recognised	-	(80,864)	-	(80,864)
At 31 December 2023	-	-	-	-
Carrying amount				
At 31 December 2023	684,055	639,426	-	1,323,481
2022				
At 1 January 2022	4,652,916	-	522,110	5,175,026
Additions	-	792,830	-	792,830
Disposals	-	(177,576)	-	(177,576)
At 31 December 2022	4,652,916	615,254	522,110	5,790,280
Accumulated amortisation				
At 1 January 2022	2,567,084	-	522,110	3,089,194
Charge for the financial year	798,433	-	-	798,433
At 31 December 2022	3,365,517	-	522,110	3,887,627
Accumulated impairment loss				
At 1 January 2022	-	-	-	-
Impairment losses recognised	-	80,864	-	80,864
At 31 December 2022	-	80,864	-	80,864
Carrying amount				
At 31 December 2022	1,287,399	534,390	-	1,821,789

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

7. Intangible Assets (Cont'd)

The impairment loss recognised in digital assets was due to the recoverable amounts determined based on fair value in active market were lower than carrying amount of digital assets. The impairment loss is separately presented in the statement of profit or loss and other comprehensive income.

(a) Description of intangible assets

Licence

Licence is related to the money lending licence of which the fair value was valued using income approach method by an independent valuation specialist that engaged by the Group for purchase price allocation exercise on the acquisition of AppAsia Capital Sdn. Bhd.. The useful life of the license is estimated to be 2 years.

Development expenditures

Development expenditures represent the costs incurred in relation to innovation of E-confirmation platform, secure chat messaging system and enhancement of their existing mobile applications, digital contents, e-commerce and the information technology security solution. The useful lives of the development expenditures are estimated to be 5 years.

Digital assets

Digital assets represented the costs of acquisition of cryptocurrency. The useful lives of the digital assets are estimated to be indefinite as it does not have a definite expiration date and can be used indefinitely as long as the cryptocurrency network continues to function.

(b) Impairment testing for intangible assets

The Group reviews the carrying amounts of development expenditures at the end of each reporting period to determine whether there is any indication of impairment. If any such indications exist, the recoverable amount of the cash-generating units ("CGU") is determined based on its value in use. The value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the CGU based on the financial budgets prepared by the management covering a period of one (1) year to five (5) years.

The key assumptions used in the value in use calculations are as follows:

- (i) No annual revenue growth rates used in the cash flows budgets and plans of CGU.
- (ii) Profit margins were projected based on pre-determined profit margin for the products.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

7. Intangible Assets (Cont'd)

(b) Impairment testing for intangible assets (Cont'd)

The key assumptions used in the value in use calculations are as follows: (Cont'd)

- (iii) A pre-tax discount rate of 7% per annum (2022: 8%) has been applied in determining the recoverable amount of the CGU. The discount rate was estimated based on the Company's weighted average cost of capital plus a reasonable risk premium.

Based on the assessment, the management are of the view that no impairment loss is required as the recoverable amount of the CGU is higher than its carrying amount as at 31 December 2023.

(c) Sensitivity to changes in assumptions

The management believes that there is no reasonable possible change in any key assumption that would cause the CGU carrying amount to exceed its recoverable amount.

8. Investment in Subsidiary Companies

	Company	
	2023	2022
	RM	RM
At cost		
In Malaysia:		
Unquoted shares	18,541,500	18,541,500
Less: Accumulated impairment losses	(4,137,776)	(2,727,430)
	14,403,724	15,814,070

Movements in the allowance for impairment losses are as follows:

	Company	
	2023	2022
	RM	RM
At 1 January	2,727,430	2,222,830
Charge for the financial year	1,410,346	504,600
At 31 December	4,137,776	2,727,430

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

8. Investment in Subsidiary Companies (Cont'd)

The Company recognised certain impairment loss in respect of certain investment in subsidiary companies as these subsidiary companies are continuously loss making and the Group has determined the recoverable amount to be RMNil. The impairment loss were recognised in administrative expense in the statements of profit or loss.

Details of subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2023 %	2022 %	
Extol Corporation Sdn. Bhd.	Malaysia	100	100	Sales, research and development of IT security technology, system maintenance, professional IT security services, training and other IT products and solutions.
AppAsia Marketing Sdn. Bhd.	Malaysia	100	100	E-commerce and video production and act as training provider and advertising agents.
AppAsia Cloud Sdn. Bhd.	Malaysia	100	100	All kinds of services related to information technology infrastructure, application systems and computer software including system support and maintenance, system integration, project coordination, management, implementation, consultation, training, seminars, exhibition, agency, representation and the business of trading to utilise technologies related to internet, e-commerce, e-business, and blockchain for online investment, marketing, trading and advertising for conducting any business.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

8. Investment in Subsidiary Companies (Cont'd)

Details of subsidiary companies are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2023 %	2022 %	
AppAsia Tech Sdn. Bhd.	Malaysia	100	100	Information Technology Systems and applications development related business and video production and act as training provider and advertising agents.
AppAsia Mall Sdn. Bhd.	Malaysia	100	100	Business in relation to e-commerce and to deal on all type of e-commerce in all goods, services, merchandise, vide business to business (b2b), business to customer (b2c) and providing services in portals, internet marketing and electronic publishing.
AppAsia International Sdn. Bhd.	Malaysia	100	100	Investment holding, online trading e-commerce and mobile application solutions; and Consultants, advisors and to organise, conduct courses, seminars, trainings for any person, firm, corporation, business and industry.
AppAsia Capital Sdn. Bhd.	Malaysia	100	100	Provision of licensed money lending business.
AppAsia Stream Sdn. Bhd.	Malaysia	70	70	Photography, video streaming, videography production and advertisement.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

9. Trade Receivables

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables				
Non-current	53,751	458,643	-	-
Current	14,868,964	15,874,567	-	2,000
Less: Accumulated impairment losses	(19,048)	(5,062)	-	-
	14,849,916	15,869,505	-	2,000
	14,903,667	16,328,148	-	2,000

Included above is loan receivables from third parties of RM12,622,978 (2022: RM14,240,421) related to the money lending business. The amounts are partially secured, bear interest at 6.02% - 13.58% p.a. (2022: 6% to 14.76% p.a.), and have an average maturity of 2 years (2022: 3 years).

Other trade receivables are non-interest bearing and are generally on 30 to 90 days (2022: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for impairment losses are as follows:

	Group	
	2023 RM	2022 RM
At 1 January	5,062	16,163
Reversal of impairment losses	(5,062)	(11,101)
Impairment losses recognised	19,048	-
At 31 December	19,048	5,062

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

9. Trade Receivables (Cont'd)

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group and the Company are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The following table provide information about the exposure to credit risk and ECLs for trade receivables:

	Gross amount RM	Loss allowance RM	Net amount RM
Group 2023			
Not past due	13,872,753	-	13,872,753
Past due:			
Less than 30 days	927,911	-	927,911
31 to 60 days	34,427	-	34,427
61 to 90 days	9,471	-	9,471
More than 90 days	59,105	-	59,105
	1,030,914	-	1,030,914
	14,903,667	-	14,903,667
Credit impaired:			
Individual impaired	19,048	(19,048)	-
	14,922,715	(19,048)	14,903,667
2022			
Not past due	15,122,471	(2,724)	15,119,747
Past due:			
Less than 30 days	444,220	(622)	443,598
31 to 60 days	471,317	(198)	471,119
61 to 90 days	17,054	(391)	16,663
More than 90 days	278,148	(1,127)	277,021
	1,210,739	(2,338)	1,208,401
	16,333,210	(5,062)	16,328,148
Company 2022			
Not past due	1,000	-	1,000
Past due:			
Less than 30 days	1,000	-	1,000
	2,000	-	2,000

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

10. Other Receivables

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Other receivables	281,969	1,269,398	739	83
Less: Accumulated impairment losses	(194)	-	-	-
	<u>281,775</u>	<u>1,269,398</u>	<u>739</u>	<u>83</u>
Deposits	197,877	198,077	66,853	63,853
Prepayments	211,044	197,853	46,052	50,844
Accrued revenue	178,048	272,828	-	-
	<u>868,744</u>	<u>1,938,156</u>	<u>113,644</u>	<u>114,780</u>

The accrued revenue primarily relates to the Group's rights to consideration for work performed but not yet billed at the reporting date for its services performed. The accrued revenue will be transferred to trade receivables when the rights become unconditional.

As of the reporting date, the receivables expected to be recognised in the future relating to performance obligations that are satisfied is RM178,048 (2022: RM272,828). The Group expects to recognise this revenue as the services are performed, which is expected to occur over the next 12 months.

Movements in the allowance for impairment losses are as follows:

	Group	
	2023	2022
	RM	RM
At 1 January	-	-
Charge for the financial year	194	-
At 31 December	<u>194</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

11. Amount Due from/(to) Subsidiary Companies

	Company	
	2023	2022
	RM	RM
Amount due from subsidiary companies		
Trade related	2,546,780	1,130,917
Non-trade related	7,432,443	9,463,342
	9,979,223	10,594,259
Less: Accumulated impairment losses	(3,721,326)	(62,716)
	6,257,897	10,531,543
 Amount due to subsidiary companies		
Non-trade related	(2,963,032)	(1,199,147)

Trade balances are non-interest bearing and generally on 30 to 90 days (2022: 30 to 90 days) term. Non-trade balances are non-interest bearing, unsecured and repayable on demand.

Movements in the allowance for impairment losses are as follows:

	Company	
	2023	2022
	RM	RM
At 1 January	62,716	62,716
Charge for the financial year	3,658,610	-
At 31 December	3,721,326	62,716

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

12. Cash and Bank Balances

The currency exposure profiles of cash and bank balances are as follows:

	Group	
	2023	2022
	RM	RM
United States Dollar	-	1,284

13. Share Capital

	Group and Company			
	Number of Shares		Amount	
	2023	2022	2023	2022
	Units	Units	RM	RM
Issued and fully paid				
At 1 January	1,127,677,360	1,127,557,360	30,732,671	30,727,871
Exercise of warrants	34,252,800	120,000	1,370,112	4,800
At 31 December	<u>1,161,930,160</u>	<u>1,127,677,360</u>	<u>32,102,783</u>	<u>30,732,671</u>

During the financial year, the Company issued 34,252,800 new ordinary shares pursuant to the conversion of Warrants 2014/2024 at the exercise price of RM0.04 per ordinary share.

The new ordinary shares issued during the financial year shall rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary share rank equally with regards to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

14. Treasury Shares

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 9 June 2023, renewed their approval for the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

	Group and Company			
	Number of Shares		Amount	
	2023 Units	2022 Units	2023 RM	2022 RM
At 1 January	50,761,200	45,742,500	7,566,646	7,173,700
Purchase of own shares	23,826,300	5,018,700	2,802,640	392,946
At 31 December	<u>74,587,500</u>	<u>50,761,200</u>	<u>10,369,286</u>	<u>7,566,646</u>

During the financial year, the Company repurchased a total of 23,826,300 (2022: 5,018,700) of its issued ordinary shares from the open market at an average price of RM0.12 (2022: RM0.08) per share. The total consideration paid for the repurchase was RM2,802,640 (2022: RM392,946). The repurchased transactions were financed by internally-generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127(4) of the Companies Act 2016 in Malaysia.

15. Reserves

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Warrant reserve	(a)	14,534,462	16,258,519	14,534,462	16,258,519
Other reserve	(b)	(14,534,462)	(16,258,519)	(14,534,462)	(16,258,519)
Share Issuance Scheme Option reserve	(c)	600,090	600,090	600,090	600,090
Fair value reserve	(d)	322,236	-	-	-
Retained earnings/ Accumulated losses		<u>2,509,360</u>	<u>566,869</u>	<u>(1,135,685)</u>	<u>4,083,536</u>
		<u>3,431,686</u>	<u>1,166,959</u>	<u>(535,595)</u>	<u>4,683,626</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

15. Reserves (Cont'd)

(a) Warrant reserve

Warrants reserve represents reserve allocated to free detachable warrants issued with rights issue.

Warrant A (Warrants 2014/2024)

During the financial year ended 31 December 2015, the Company issued renounceable rights issue of up to 138,956,400 new ordinary shares of RM0.10 each together with up to 138,956,400 free detachable warrants ("Warrants A") on the basis of one (1) Rights Share together with one (1) Warrants A for every one (1) existing ordinary share held.

The Company executed a Deed Poll constituting the Warrants A and the exercise price of the Warrants A has been fixed at RM0.13 each. The Warrants A may be exercised at any time within 10 years commencing on and including the date of issuance and expiring on 23 December 2024. Any Warrants A which have not been exercised at date of maturity will lapse and cease to be valid for any purpose.

The new ordinary shares allotted and issued upon exercise of the Warrants A shall rank pari passu in all respects with the then existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares arising from exercise of the Warrants.

On 18 June 2021, the shareholders of the Company had approved the adjustment to the exercise price and number of outstanding of the Warrants 2014/2024 pursuant to the subdivision of every 1 existing ordinary share in the Company into 3 ordinary shares in the Company ("share split"). Additional warrants of 224,620,000 were listed and quoted on the ACE Market of Bursa Securities on 5 July 2021. Further, pursuant to the Adjustments, the existing exercise price of Warrants 2014/2024 of RM0.13 per warrant will be revised to RM0.04 per warrant.

As at the financial year end, the total number of Warrants A that remain unexercised were 288,750,500 (2022: 323,003,300).

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

15. Reserves (Cont'd)

(a) Warrant reserve (Cont'd)

Warrants reserve represents reserve allocated to free detachable warrants issued with rights issue. (Cont'd)

Warrant B (Warrants 2021/2024)

During the previous financial year end, the Company issued 106,920,802 bonus issue of free warrant on basis of one (1) warrant (Warrants B) for every ten (10) existing ordinary share held.

The Company executed a Deed Poll constituting the Warrants B and the exercise price of the Warrants B has been fixed at RM0.135 each. The Warrants B may be exercised at any time within 3 years commencing on and including the date of issuance and expiring on 17 June 2024. Any Warrants B which have not been exercised at date of maturity will lapse and cease to be valid for any purpose.

The new ordinary shares allotted and issued upon exercise of the Warrants B shall rank pari passu in all respects with the then existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares arising from exercise of the Warrants B.

As at the financial year end, the total number of Warrants B that remain unexercised were 106,920,742 (2022: 106,920,742).

(b) Other reserve

This represents fair value allocated to the detachable warrants issued in conjunction with rights issue refer to Note 15(a).

(c) Share Issuance Scheme Option reserve

	Group and Company	
	2023	2022
	RM	RM
Non-distributable		
At 1 January/31 December	600,090	600,090

Share Issuance Scheme Option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options. Share Issuance Scheme Option is disclosed in Note 27.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

15. Reserves (Cont'd)

- (d) Fair value reserve represents the cumulative net change in the fair value of digital assets in securities measured at FVTOCI until they are derecognised or impaired.

16. Lease Liabilities

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Non-current	66,770	7,912	-	-
Current	400,212	408,925	249,605	249,605
	<u>466,982</u>	<u>416,837</u>	<u>249,605</u>	<u>249,605</u>

The maturity analysis of lease liabilities at the end of the reporting period:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Within 1 year	412,722	417,922	254,772	254,772
Between 1 to 2 years	70,000	8,000	-	-
	<u>482,722</u>	<u>425,922</u>	<u>254,772</u>	<u>254,772</u>
Less: Future finance charges	(15,740)	(9,085)	(5,167)	(5,167)
Present value of lease liabilities	<u>466,982</u>	<u>416,837</u>	<u>249,605</u>	<u>249,605</u>

The Group and the Company lease various office buildings. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The average effective interest rate per annum of the Group and of the Company are 3.80% to 5.45% (2022: 3.80% to 4.45%) and 3.80% (2022: 3.80%) respectively.

17. Trade Payables

Credit term of trade payables of the Group is 30 days (2022: 30 days) depending on the terms of the contracts.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

18. Other Payables

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Other payables	174,530	1,617,968	4,401	4,053
Accruals	681,183	403,975	64,646	69,710
Deposit received	881,204	735,699	28,800	20,000
Deferred revenue	529,296	251,011	-	-
Service tax payable	131,096	128,689	-	-
	<u>2,397,309</u>	<u>3,137,342</u>	<u>97,847</u>	<u>93,763</u>

The deferred revenue primarily relates to the advance consideration received from customer for service contracts, which revenue is recognised over the service period for 1 - 12 months (2022: 1 - 12 months).

19. Revenue

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Revenue from contracts with customers:				
Rendering of services	11,691,972	9,992,841	36,000	36,000
Sales of goods	9,454,229	48,883,733	-	-
Management fees	-	-	1,350,000	1,386,000
	<u>21,146,201</u>	<u>58,876,574</u>	<u>1,386,000</u>	<u>1,422,000</u>
Revenue from other sources:				
Interest income	6,264	5,573	6,264	5,573
Rental income	-	11,400	120,000	131,400
Financing income	1,623,611	1,029,418	-	-
	<u>1,629,875</u>	<u>1,046,391</u>	<u>126,264</u>	<u>136,973</u>
	<u>22,776,076</u>	<u>59,922,965</u>	<u>1,512,264</u>	<u>1,558,973</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

19. Revenue (Cont'd)

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Timing of revenue recognition:				
At a point in time	16,146,328	53,017,409	-	-
Over time	4,999,873	5,859,165	1,386,000	1,422,000
Total revenue from contracts with customers	<u>21,146,201</u>	<u>58,876,574</u>	<u>1,386,000</u>	<u>1,422,000</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

19. Revenue (Cont'd)

Breakdown of the Group's revenue from contracts with customers:

	Investment Holding RM	Digital Solutions RM	E-Commerce Business RM	Consolidated Total RM
2023				
Major goods and services:				
Rendering of services	36,000	11,278,619	377,353	11,691,972
Sales of goods	-	-	9,454,229	9,454,229
Total revenue from contracts with customers	36,000	11,278,619	9,831,582	21,146,201
Geographical market:				
Malaysia	36,000	11,278,160	9,831,582	21,145,742
United States	-	459	-	459
Total revenue from contracts with customers	36,000	11,278,619	9,831,582	21,146,201
Timing of revenue recognition:				
At a point in time	-	6,314,746	9,831,582	16,146,328
Over time	36,000	4,963,873	-	4,999,873
	36,000	11,278,619	9,831,582	21,146,201

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

19. Revenue (Cont'd)

Breakdown of the Group's revenue from contracts with customers: (Cont'd)

2022

Major goods and services:

Rendering of services	36,000	9,022,480	781,480	152,881	9,992,841
Sales of goods	-	-	48,883,733	-	48,883,733
Total revenue from contracts with customers	36,000	9,022,480	49,665,213	152,881	58,876,574

Geographical market:

Malaysia	36,000	9,021,646	49,665,213	152,881	58,875,740
United States	-	834	-	-	834
Total revenue from contracts with customers	36,000	9,022,480	49,665,213	152,881	58,876,574

Timing of revenue recognition:

At a point in time	-	3,199,315	49,665,213	152,881	53,017,409
Over time	36,000	5,823,165	-	-	5,859,165
	36,000	9,022,480	49,665,213	152,881	58,876,574

20. Finance Cost

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Interest expense on:				
Lease liabilities	37,791	24,619	23,407	14,460

21. Profit/(Loss) Before Tax

Profit/(Loss) before tax is derived after charging/(crediting) amongst other, the following items:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Amortisation of intangible assets	603,344	798,433	-	-
Auditors' remuneration				
- statutory audits	77,000	72,000	31,000	30,000
- over provision in prior year	-	(6,000)	-	-
- non-audit services	3,000	3,000	3,000	3,000
Bad debts written off	-	1,500	-	-
Deposit forfeited	3,200	-	-	-
Depreciation of:				
- investment properties	49,597	50,000	49,597	50,000
- property, plant and equipment	239,084	248,126	55,245	75,120
- right-of-use assets	399,435	406,080	235,896	244,958
Non-executive Directors' remuneration				
- Fees	90,000	86,500	90,000	86,500
- Other emoluments	42,500	33,000	42,500	33,000
Lease expenses relating to short-term leases (a)	6,790	4,595	-	-
Gain on disposal of:				
- digital assets	(143,701)	(129,220)	-	-
- property, plant and equipment	(47,823)	-	(46,000)	-

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

21. Profit/(Loss) Before Tax (Cont'd)

Profit/(Loss) before tax is derived after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Unrealised gain on foreign exchange	(30)	(235)	-	(2)
Realised gain on foreign exchange	(28)	(29)	-	-
Fair value adjustment of investment property	24,403	20,167	24,403	20,167
Interest income	(82,770)	(109,079)	(6,264)	(5,573)
Property, plant and equipment written off	6,400	2	-	2
Reversal of impairment losses on:				
- trade receivables	(5,062)	(11,101)	-	-
- digital assets	(80,864)	-	-	-
Impairment losses on:				
- investment in subsidiary companies	-	-	1,410,346	504,600
- amount due from subsidiary companies	-	-	3,658,610	-
- digital assets	-	80,864	-	-
- trade receivables	19,048	-	-	-
- other receivables	194	-	-	-

- (a) The Group and the Company lease a number of equipment with contract terms of not more than one year. These leases are short-term term and/or leases of low value items. The Group or the Company have elected not to recognise ROU assets and lease liabilities for these leases.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

22. Taxation

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Tax expenses recognised in profit or loss				
Current tax				
- Current year	782,269	512,981	28,254	26,873
- Under/(Over) provision for the prior years	4,578	29,814	4,852	(4,032)
	<u>786,847</u>	<u>542,795</u>	<u>33,106</u>	<u>22,841</u>

Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profits for the financial year.

A reconciliation of income tax expenses applicable to profit/(loss) before tax at the statutory tax rate to income tax expenses at the effective income tax of the Group and of the Company are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Profit/(Loss) before tax	<u>2,677,910</u>	<u>1,116,212</u>	<u>(5,186,115)</u>	<u>(728,469)</u>
At Malaysian statutory tax rate of 24% (2022: 24%)	642,698	267,890	(1,244,668)	(174,833)
Income not subject to tax	(88,899)	(78)	(11,360)	-
Expenses not deductible for tax purposes	329,791	341,027	1,306,440	216,360
Deferred tax assets not recognised	234,290	296,675	-	-
Utilisation of previously unrecognised deferred tax assets	<u>(335,611)</u>	<u>(392,533)</u>	<u>(22,158)</u>	<u>(14,654)</u>
	<u>782,269</u>	<u>512,981</u>	<u>28,254</u>	<u>26,873</u>
Under/(Over) provision of taxation in prior years	4,578	29,814	4,852	(4,032)
	<u>786,847</u>	<u>542,795</u>	<u>33,106</u>	<u>22,841</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

22. Taxation (Cont'd)

The Group and the Company have the following estimated unutilised capital allowances and unutilised tax losses available for carry forward to offset against future taxable profits. The said amounts are subject to approval by the tax authorities.

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Unutilised capital allowances	262,155	482,928	122,924	213,279
Unutilised tax losses	11,318,889	11,823,443	7,394,770	7,394,770
	<u>11,581,044</u>	<u>12,306,371</u>	<u>7,517,694</u>	<u>7,608,049</u>

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Income tax savings arising from utilisation of prior year losses previously not recognised	<u>335,611</u>	<u>392,533</u>	<u>22,158</u>	<u>14,654</u>

In accordance with the provision of Finance Act 2018, the unutilised business losses could be carried forward for a maximum of seven consecutive years of assessment. Any balance of the unutilised business losses at the end of the seventh year shall be disregarded.

The Finance Act 2021 stated that the time frame to carry forward unutilised business losses for year of assessment 2019 and subsequent years of assessment be extended from seven to ten consecutive years of assessment. The other temporary differences do not expire under current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

23. Earnings Per Share

(a) Basic earnings per share

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

	Group	
	2023	2022
	RM	RM
Profit attributable to owners of the Company	<u>1,942,491</u>	<u>606,848</u>
Weighted average number of ordinary shares in issue (in unit):		
Issued ordinary shares at 1 January (exclude treasury shares)	1,076,916,160	1,081,814,860
Effect of ordinary shares issued during the financial year	9,129,978	12,822
Effect of treasury shares held	<u>(14,648,002)</u>	<u>(690,947)</u>
Weighted average number of ordinary shares at 31 December	<u>1,071,398,136</u>	<u>1,081,136,735</u>
Basic earnings per share (in sen)	<u>0.18</u>	<u>0.06</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

23. Earnings Per Share (Cont'd)

(b) Diluted earnings per share

Diluted earnings per share are calculated based on the adjusted consolidated profit for the financial year attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Group	
	2023 RM	2022 RM
Profit attributable to owners of the Company	<u>1,942,491</u>	<u>606,848</u>
Weighted average number of ordinary shares used in the calculation of basic earnings per share	1,071,398,136	1,081,136,735
Effect of share options on issue	10,491,462	7,030,588
Effect of conversion of Warrants	<u>179,185,093</u>	<u>171,001,747</u>
Weighted average number of ordinary shares at 31 December (diluted)	<u>1,261,074,691</u>	<u>1,259,169,070</u>
Diluted earnings per share (in sen)	<u>0.15</u>	<u>0.05</u>

24. Deferred Taxation

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deferred tax liabilities	11,925	20,741	3,304	3,508
Deferred tax assets	<u>(11,925)</u>	<u>(20,741)</u>	<u>(3,304)</u>	<u>(3,508)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

24. Deferred Taxation (Cont'd)

The movements and components of deferred tax liabilities and assets prior to offsetting are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Deferred tax liabilities:				
Accelerated capital allowances				
At 1 January	20,741	23,975	3,508	5,687
Recognised in profit or loss	(460)	(27)	473	1,028
Over provision in prior year	(8,356)	(3,207)	(677)	(3,207)
At 31 December	<u>11,925</u>	<u>20,741</u>	<u>3,304</u>	<u>3,508</u>
Deferred tax assets:				
Unutilised capital allowances				
At 1 January	(17,911)	(23,975)	(3,508)	(5,687)
Recognised in profit or loss	6,178	2,857	(473)	(1,028)
Over provision in prior year	5,526	3,207	677	3,207
At 31 December	<u>(6,207)</u>	<u>(17,911)</u>	<u>(3,304)</u>	<u>(3,508)</u>
Unutilised tax losses				
At 1 January	-	-	-	-
Recognised in profit or loss	(5,718)	-	-	-
At 31 December	<u>(5,718)</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

24. Deferred Taxation (Cont'd)

The movements and components of deferred tax liabilities and assets prior to offsetting are as follows: (Cont'd)

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Deferred tax assets: (Cont'd)				
Others				
At 1 January	(2,830)	-	-	-
Recognised in profit or loss	-	(2,830)	-	-
Over provision in prior year	2,830	-	-	-
At 31 December	-	(2,830)	-	-
	<u>(11,925)</u>	<u>(20,741)</u>	<u>(3,304)</u>	<u>(3,508)</u>

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Unutilised capital allowances	236,292	431,323	109,157	201,484
Unutilised tax losses	11,295,063	11,823,443	7,394,770	7,394,770
Other temporary differences	444,740	143,498	-	-
	<u>11,976,095</u>	<u>12,398,264</u>	<u>7,503,927</u>	<u>7,596,254</u>

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

25. Staff Costs

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Salaries, wages and other emoluments	4,561,942	4,161,399	554,709	693,403
Social security contributions	44,843	39,653	6,471	6,830
Defined contribution plans	599,093	542,127	81,695	105,416
Employee insurance system	4,937	4,306	740	781
Other benefits	90,939	78,626	36,370	34,512
Benefits-in-kind	49,200	49,200	18,000	24,600
	<u>5,350,954</u>	<u>4,875,311</u>	<u>697,985</u>	<u>865,542</u>

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Group and of the subsidiary companies during the financial year as below:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Executive Directors				
<u>Directors of the Company</u>				
Salaries and allowances	1,595,000	1,357,500	205,000	307,500
Defined contribution plans	268,125	229,350	38,050	58,275
Employee insurance system	771	777	178	152
Social security contributions	6,754	6,775	1,554	1,330
Benefits-in-kind	49,200	49,200	18,000	24,600
	<u>1,919,850</u>	<u>1,643,602</u>	<u>262,782</u>	<u>391,857</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

25. Staff Costs (Cont'd)

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Group and of the subsidiary companies during the financial year as below: (Cont'd)

	Group	
	2023	2022
	RM	RM
Executive Directors (Cont'd)		
<u>Director of subsidiary company</u>		
Salaries and allowances	96,000	124,000
Defined contribution plans	11,520	14,880
Employee insurance system	119	103
Social security contributions	1,040	899
	<u>108,679</u>	<u>139,882</u>

26. Reconciliation of Liabilities Arising from Financing Activities

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At	New	Termination	Financing	At
	1 January	lease	of lease	cash	31 December
	RM	RM	RM	flows (i)	RM
				RM	
Group					
2023					
Lease liabilities	416,837	451,598	(8,095)	(393,358)	466,982
2022					
Lease liabilities	67,492	748,647	-	(399,302)	416,837

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

26. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

	At 1 January RM	New lease RM	Financing cash flows (i) RM	At 31 December RM
Company				
2023				
Lease liabilities	249,605	231,365	(231,365)	249,605
Amount due to subsidiary companies	1,199,147	-	1,763,885	2,963,032
	1,448,752	231,365	1,532,520	3,212,637
2022				
Lease liabilities	-	489,916	(240,311)	249,605
Amount due to subsidiary companies	-	-	1,199,147	1,199,147
	-	489,916	958,836	1,448,752

- (i) The cash flows from lease liabilities and advances to subsidiary companies make up the net amount of proceeds from or repayments of borrowings and intercompany in the statements of cash flows.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

27. Share Issuance Scheme ("SIS")

At an extraordinary general meeting held on 15 November 2014, the Company's shareholders approved the establishment of SIS for eligible Directors and employees of the Group.

The salient features of the SIS Options are as follows:

- (a) any employee of the Group shall be eligible if as at the date of offer, the employee:
 - (i) has attained at least eighteen (18) years of age;
 - (ii) is an employee in a company within the Group, which is not dormant belonging to such categories of employment as determined by the Option Committee; and
 - (iii) who falls under such categories and criteria that the Option Committee may decide at its absolute discretion from time to time.
- (b) any Director of the Group shall be eligible if as at the date of offer, the Director:
 - (i) is at least eighteen (18) years of age; and
 - (ii) has been appointed as a Director of a company within the Group, which is not dormant.
- (c) The maximum number of new shares to be issued pursuant to the exercise of the SIS Options which may be granted under the SIS Shares shall not exceed thirty percent (30%) of the total issued and paid-up share capital (excluding treasury shares, if any) of the Company at any point of time throughout the duration of the SIS.
- (d) The options granted may be exercised any time upon the satisfaction of vesting conditions of each offer.
- (e) The SIS shall be in force for a period of five (5) years. On 18 February 2020, the Company announced the extension of SIS which was expiring on 12 March 2020 for another five (5) years until 12 March 2025 in accordance with terms of the By-Laws.
- (f) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of and not less than 100 shares.

Movements in the number of share options and the weighted average exercise prices are as follows:

Date of offer	Exercise price	Number of options over ordinary shares			
		At 1.1.2023	Exercised	Lapsed	At 31.12.2023
24 March 2015	0.061	24,900,000	-	-	24,900,000

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

27. Share Issuance Scheme ("SIS") (Cont'd)

Date of offer	Exercise price	Number of options over ordinary shares			
		At 1.1.2022	Exercised	Lapsed	At 31.12.2022
24 March 2015	0.061	24,900,000	-	-	24,900,000

There are no share options exercisable during the financial year.

The fair value of services received in return for share options granted during the previous financial year is based on the fair value of share options granted, estimated by the management using Black-Scholes-Merton model, taking into account the terms and conditions upon which the options were granted. The weighted average fair value of share options measured at grant date and the assumptions are as follows:

	2023 RM	2022 RM
Fair value of share options granted	0.0241	0.0241
Weighted average share price at grant date	0.076	0.076
Weighted average exercise price	0.061	0.061
Expected volatility (%)	162.64	162.64
Expected life (years)	5 years	5 years
Risk free rate (%)	3.736	3.736
Expected dividend yield (%)	Nil	Nil

The expected life of the share options is based on historical data, has been adjusted according to management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting the market conditions attached to the option), and behavioural considerations. The expected volatility is based on the historical share price volatility, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long-term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

28. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group	
	2023	2022
	RM	RM
Transactions with companies in which certain Directors have substantial financial interests		
Rental of premises paid/payable	<u>370,722</u>	<u>370,722</u>
	Company	
	2023	2022
	RM	RM
Transactions with subsidiary companies		
Service received	43,200	43,200
Management fee	(1,350,000)	(1,386,000)
Rental income	<u>(120,000)</u>	<u>(120,000)</u>
Transactions with companies in which a Director of the Company has substantial financial interests		
Rental of premises paid/payable	<u>254,772</u>	<u>254,772</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

28. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management personnel are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Salaries, fees and other emoluments	1,967,200	1,727,300	337,500	427,000
Defined contributions plans	296,889	259,386	38,050	58,275
Employee insurance system	1,009	983	178	152
Social security contributions	8,834	8,573	1,554	1,330
Benefits-in-kind	49,200	49,200	18,000	24,600
	<u>2,323,132</u>	<u>2,045,442</u>	<u>395,282</u>	<u>511,357</u>

29. Segment Information

In line with the Group's Strategy to penetrate into different IT consumer market, the management has currently segregated the Group into the following core business units based on different products, services and market segments as follows:

Digital Solutions	Provision of digital platform related solutions and services.
E-Commerce Business	Provision of online marketplace for e-commerce activities.
Financial Services	Provision of financial assistance.
Investment Holding and Others	Investment holding and provision of management services and provision of other complementary activities.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

29. Segment Information (Cont'd)

The Group management strategically dedicates the operation of each business units to the respective subsidiary companies and monitors the operation separately for effective resource allocation and performance assessment. Each business unit's performance is evaluated based on the long-term business value and profitability.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

29. Segment Information (Cont'd)

	Digital Solutions RM	E-Commerce Business RM	Financial Services RM	Investment Holding and Others RM	Eliminations RM	Consolidated RM
2023						
Revenue						
External customers	11,278,619	9,831,582	1,623,611	42,264	-	22,776,076
Inter segment	115,200	-	-	1,470,000	(1,585,200)	-
Total revenue	11,393,819	9,831,582	1,623,611	1,512,264	(1,585,200)	22,776,076
Segment results						
Interest income	31,607	36,956	7,943	6,264	-	82,770
Finance cost	(23,233)	-	(3,273)	(23,407)	12,122	(37,791)
Depreciation and amortisation	(1,003,050)	(27,417)	(30,476)	(340,738)	110,221	(1,291,460)
Other non-cash items	209,038	-	-	(5,047,359)	5,068,956	230,635
Segments (loss)/profit before tax	1,770,048	115,596	914,413	(5,193,446)	5,071,299	2,677,910
Assets						
Included in the measurement of segment assets are:						
Capital expenditure	359,800	-	37,726	488,281	(107,878)	777,929
Segments assets	15,587,307	4,252,683	13,185,050	25,354,624	(30,026,334)	28,353,330
Liabilities						
Segment liabilities	6,437,990	1,116,830	11,954,443	3,314,134	(19,348,687)	3,474,710

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

29. Segment Information (Cont'd)

	Digital Solutions RM	E-Commerce Business RM	Financial Services RM	Investment Holding and Others RM	Eliminations RM	Consolidated RM
2022						
Revenue						
External customers	9,022,480	49,665,213	1,029,418	205,854	-	59,922,965
Inter segment	315,434	-	-	1,506,000	(1,821,434)	-
Total revenue	9,337,914	49,665,213	1,029,418	1,711,854	(1,821,434)	59,922,965
Segment results						
Interest income	56,781	39,701	-	12,597	-	109,079
Finance cost	(15,636)	-	(2,026)	(14,460)	7,503	(24,619)
Depreciation and amortisation	(1,100,008)	(116,434)	(31,024)	(370,078)	114,905	(1,502,639)
Other non-cash items	58,190	-	-	(524,767)	504,600	38,023
Segments (loss)/profit before tax	671,476	14,367	646,978	(723,617)	507,008	1,116,212
Assets						
Included in the measurement of segment assets are:						
Capital expenditure	1,448,951	-	62,049	495,914	(229,811)	1,777,103
Segments assets	16,134,312	5,415,953	14,447,431	29,447,366	(37,470,813)	27,974,249
Liabilities						
Segment liabilities	7,707,587	2,386,781	13,906,184	1,597,715	(21,721,867)	3,876,400

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

29. Segment Information (Cont'd)

(a) Adjustment and eliminations

Capital expenditure consists of additions of property, plant and equipments and right-of-use assets.

Inter-segment revenues are eliminated on consolidation.

(b) Other non-cash income/(expense) consist of the following items as presented in the respective notes to financial statements:

	Group	
	2023	2022
	RM	RM
Gain on disposal of:		
- property, plant and equipment	47,823	-
- digital assets	143,701	129,220
Bad debts written off	-	(1,500)
Deposit forfeited	3,200	-
Reversal of impairment losses on trade receivables	5,062	11,101
Reversal of impairment losses on digital assets	80,864	-
Impairment losses on:		
- trade receivables	(19,048)	-
- other receivables	(194)	-
- digital assets	-	(80,864)
Property, plant and equipment written off	(6,400)	(2)
Fair value adjustment of investment property	(24,403)	(20,167)
Unrealised gain on foreign exchange	30	235
	230,635	38,023

(c) Geographic information

No disclosure on geographical segment information as the Group predominantly operates in Malaysia.

(d) Major customers

Major customers' information are revenues from transactions with a single external customer amount to ten percent or more of the Group revenue. A group of entities known to a reporting entity to be under common control shall be considered a single customer, and entities known to the reporting entity to be under the control of that government shall be considered a single customer.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

29. Segment Information (Cont'd)

(d) Major customers (Cont'd)

The following is a major customer with revenue equal or more than 10% of the Group's total revenue arising from:

	Revenue	
	2023 RM	2022 RM
Group		
- Customer A	-	34,941,127
- Customer B	3,712,185	-
- Customer C	2,646,989	-
	<u>6,359,174</u>	<u>34,941,127</u>

30. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	2023 RM	2022 RM
Group		
At amortised cost		
Financial assets		
Trade receivables	14,903,667	16,328,148
Other receivables	479,652	1,467,475
Cash and bank balances	7,992,310	4,718,252
	<u>23,375,629</u>	<u>22,513,875</u>
At amortised cost		
Financial liabilities		
Trade payables	598,139	322,082
Other payables	1,736,917	2,757,642
Lease liabilities	466,982	416,837
	<u>2,802,038</u>	<u>3,496,561</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

30. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

	2023 RM	2022 RM
Company		
At amortised cost		
Financial assets		
Trade receivables	-	2,000
Other receivables	67,592	63,936
Amount due from subsidiary companies	6,257,897	10,531,543
Cash and bank balances	1,208,574	445,556
	<u>7,534,063</u>	<u>11,043,035</u>
At amortised cost		
Financial liabilities		
Amount due to subsidiary companies	2,963,032	1,199,147
Other payables	97,847	93,763
Lease liabilities	249,605	249,605
	<u>3,310,484</u>	<u>1,542,515</u>

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from advances to subsidiary companies. There are no significant changes as compared to prior periods.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

30. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any if the receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk, excluding any collateral held. The financial effect of collateral held for loan receivables is not significant.

There are no significant changes as compared to previous financial year.

As at the end of the financial year, the Group had 4 customers (2022: 4 customers) accounted for approximately 69% (2022: 72%) of RM7,936,665 (2022: RM11,791,896) of all the receivables outstanding. The Company has no significant concentration of credit risks except for advances to its subsidiary companies where risks of default have been assessed to be low.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

30. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

30. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 to 2 years RM	Total contractual cash flows RM	Total carrying amount RM
Group				
2023				
<u>Non-derivative financial liabilities</u>				
Trade payables	598,139	-	598,139	598,139
Other payables	1,736,917	-	1,736,917	1,736,917
Lease liabilities	412,722	70,000	482,722	466,982
	<u>2,747,778</u>	<u>70,000</u>	<u>2,817,778</u>	<u>2,802,038</u>
2022				
<u>Non-derivative financial liabilities</u>				
Trade payables	322,082	-	322,082	322,082
Other payables	2,757,642	-	2,757,642	2,757,642
Lease liabilities	417,922	8,000	425,922	416,837
	<u>3,497,646</u>	<u>8,000</u>	<u>3,505,646</u>	<u>3,496,561</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

30. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	Total contractual cash flows RM	Total carrying amount RM
Company			
2023			
<u>Non-derivative</u>			
<u>financial liability</u>			
Other payables	97,847	97,847	97,847
Amount due to			
subsidiary companies	2,963,032	2,963,032	2,963,032
Lease liabilities	254,772	254,772	249,605
	<u>3,315,651</u>	<u>3,315,651</u>	<u>3,310,484</u>
2022			
<u>Non-derivative</u>			
<u>financial liabilities</u>			
Other payables	93,763	93,763	93,763
Amount due to			
subsidiary companies	1,199,147	1,199,147	1,199,147
Lease liabilities	254,772	254,772	249,605
	<u>1,547,682</u>	<u>1,547,682</u>	<u>1,542,515</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

30. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD").

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in USD RM
Group	
2023	
Cash and bank balances	-
Trade receivables	145
	<u>145</u>
2022	
Cash and bank balances	1,284
Trade receivables	1,782
	<u>3,066</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

30. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's profit/(loss) before tax to a reasonably possible change in the USD exchange rates against RM, with all other variables held constant.

		2023		2022	
		Effect on		Effect on	
		loss		profit	
		before tax		before tax	
		RM		RM	
Group		Change in	Change in	Change in	Change in
		currency rate	currency rate	currency rate	currency rate
		RM	RM	RM	RM
USD	Strengthened 1%	1	Strengthened 1%	31	
	Weakened 1%	(1)	Weakened 1%	(31)	

(b) Interest rate risk

The Group's and the Company's fixed rate borrowings and financing to customers are exposed to a risk of change in their fair value due to changes in interest rates.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

30. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2023 RM	2022 RM
Group		
Fixed rate instruments		
Financial assets	12,622,978	14,240,421
Financial liabilities	(466,982)	(416,837)
	<u>12,155,996</u>	<u>13,823,584</u>
Company		
Fixed rate instrument		
Financial liabilities	<u>(249,605)</u>	<u>(249,605)</u>

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any 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 period would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

30. Financial Instruments (Cont'd)

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

(i) Policy on transfer between levels

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 were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023 (CONT'D)

31. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Lease liabilities (Note 16)	466,982	416,837	249,605	249,605
Less: Cash and bank balances	(7,992,310)	(4,718,252)	(1,208,574)	(445,556)
Net debt	(7,525,328)	(4,301,415)	(958,969)	(195,951)
Total equity	24,878,620	24,097,849	21,197,902	27,849,651
Gearing ratio	*	*	*	*

* The gearing ratio is not applicable as the Company has sufficient cash and bank balances to settle the liabilities as at year end.

There were no changes in the Group's approach to capital management during the financial year.

32. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 March 2024.

LIST OF PROPERTIES

No	Title Details/ Postal Address	Description of property / Existing use	Built-up Area / Land Area (Sf)	Approximate Age of Building (Years)	Tenure	Audited Net Book Value as at 31.12.2023 RM	Date of Acquisition
1	No. 101, 101A, 101B & 101C Persiaran Pegaga Taman Bayu Perdana 41200 Klang Selangor Darul Ehsan	Office Lot	1,496	28 years	Freehold	1,050,000	15 December 2015
2	No. 103, 103A, 103B & 103C Persiaran Pegaga Taman Bayu Perdana 41200 Klang Selangor Darul Ehsan	Office Lot	1,496	28 years	Freehold	1,008,000	15 December 2015

ANALYSIS OF SHAREHOLDINGS AS AT 4 APRIL 2024

Total Number of Issued Shares : 1,169,604,060 (including 74,587,500 treasury shares)
 Class of Shares : Ordinary Shares
 Voting Rights : One vote per share

Distribution of Shareholders

Size of Shareholdings	No. of Shareholders	%#	No. of Shares	% #
Less than 99	16	0.53	307	0.00
100 to 1,000	315	10.48	138,348	0.01
1,001 to 10,000	764	25.42	4,371,905	0.40
10,001 to 100,000	1,380	45.92	52,765,100	4.82
100,001 to 54,750,827*	526	17.50	676,852,600	61.81
54,750,828 and above**	4	0.13	360,888,300	32.96
TOTAL	3,005	100.00	1,095,016,560	100.00

Note:

excluding a total of 74,587,500 ordinary shares bought back by the Company and retained as treasury shares as at 4 April 2024.

* Less than 5% of issued shares

** 5% and above of issued shares

List of Directors' Shareholdings

No.	Name	Direct Interest	No. of Ordinary Shares		% #
			Indirect Interest		
1.	Datuk Seri Rahadian Mahmud bin Mohammad Khalil	4,500,000	-	-	-
2.	Toh Hong Chye	159,888,300	126,000,000*	11.51	11.51
3.	Yong Mai Fang	21,300,000	126,000,000*	11.51	11.51
4.	Wong Ngai Peow	10,213,500	-	-	-
5.	Yeong Siew Lee	-	-	-	-
6.	Tiew Chee Ming	-	-	-	-

Note:

excluding a total of 74,587,500 ordinary shares bought back by the Company and retained as treasury shares as at 4 April 2024.

* Deemed interested by virtue of Section 8(4)(c) of the Companies Act 2016 via his/her interest in Richmond Virginia Tobacco Sdn. Bhd.

List of Substantial Shareholders

No.	Name	Direct Interest	No. of Ordinary Shares		% #
			Indirect Interest		
1.	Richmond Virginia Tobacco Sdn. Bhd.	126,000,000	-	-	-
2.	Toh Hong Chye	159,888,300	126,000,000*	11.51	11.51
3.	Pelaburan Mara Berhad	75,000,000	-	-	-
4.	Yong Mai Fang	21,300,000	126,000,000*	11.51	11.51

Note:

excluding a total of 74,587,500 ordinary shares bought back by the Company and retained as treasury shares as at 4 April 2024.

* Deemed interested by virtue of Section 8(4)(c) of the Companies Act 2016 via his/her interest in Richmond Virginia Tobacco Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS AS AT 4 APRIL 2024 (CONT'D)

Thirty (30) Largest Shareholders

No.	Name	No. of Shares	%
1.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Richmond Virginia Tobacco Sdn. Bhd.	126,000,000	11.51
2.	RHB Nominees (Tempatan) Sdn. Bhd. Toh Hong Chye	99,888,300	9.12
3.	Pelaburan Mara Berhad	75,000,000	6.85
4.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Toh Hong Chye	60,000,000	5.48
5.	Tengku Puteri Zainah Binti Tengku Eskandar	46,500,000	4.25
6.	Tan Yee Boon	45,000,000	4.11
7.	Arsyan Bin Ismail	35,000,000	3.20
8.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yong Pei Cheen	33,000,000	3.01
9.	Lee See Yang	32,149,500	2.94
10.	RHB Capital Nominees (Tempatan) Sdn. Bhd. David Lai & Tan Services Sdn. Bhd.	30,000,000	2.74
11.	Tan Vin Shyan	30,000,000	2.74
12.	Lembaga Tabung Amanah Warisan Negeri Terengganu	30,000,000	2.74
13.	Yong Mai Fang	21,300,000	1.95
14.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Liaw Tze Shung @ Richard (PB)	21,000,000	1.92
15.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yen Soon Ai	18,812,900	1.72
16.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Vincent Tan Seng Chye	12,474,000	1.14
17.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Leong Kim Fong	8,639,800	0.79
18.	Chiong Miaw Thuan	8,550,000	0.78
19.	Wong Ngai Peow	7,500,000	0.68
20.	Kenanga Nominees (Tempatan) Sdn. Bhd. Tan Pow Choo @ Wong Seng Eng (EM1-CN)	7,339,100	0.67
21.	Seik Thye Kong	6,865,600	0.63
22.	Lim Chee Seong	6,829,300	0.62
23.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Jee Tai Chew (021)	6,500,000	0.59
24.	Mohamed Al Amin Bin Abdul Majid	6,200,000	0.57
25.	Baskaran a/l Govinda Nair	6,000,000	0.55
26.	Chia Gek Liang	6,000,000	0.55
27.	Chew Sun Noi	5,610,000	0.51
28.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Liaw Tze Shung @ Richard (E-KKU)	5,599,800	0.51
29.	Tan Choon Kiat	5,450,000	0.50
30.	Loh May Ann	5,148,900	0.47

ANALYSIS OF WARRANT A HOLDINGS AS AT 4 APRIL 2024

Number of Warrants in issue	:	280,341,100
Exercise price of the warrants	:	RM0.04
Expiry date of warrants	:	23 December 2024
Rights of Warrants Holder	:	The Warrants holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in our Company until and unless such Warrants holders exercise their Warrants into new ordinary shares of the Company.

Distribution of Warrant Holders

Size of Warrant holdings	No. of Warrant holders	% of Warrant holders	No. of Warrants	%
Less than 99	2	0.61	15	0.00
100 to 1,000	18	5.54	6,685	0.00
1,001 to 10,000	35	10.77	213,900	0.08
10,001 to 100,000	143	44.00	6,424,200	2.29
100,001 to 14,017,054*	125	38.46	127,888,600	45.62
14,017,055 and above **	2	0.62	145,807,700	52.01
TOTAL	325	100.00	280,341,100	100.00

Note:

* Less than 5% of issued shares

** 5% and above of issued shares

List of Directors' Warrant Holdings

No.	Name	Direct Interest	No. of Warrants held		%
				Indirect Interest	
			%		
1.	Datuk Seri Rahadian Mahmud bin Mohammad Khalil	-	-	-	-
2.	Toh Hong Chye	12,750,000	4.55	-	-
3.	Wong Ngai Peow	-	-	-	-
4.	Yong Mai Fang	-	-	-	-
5.	Yeong Siew Lee	-	-	-	-
6.	Tiew Chee Ming	-	-	-	-

ANALYSIS OF WARRANT A HOLDINGS AS AT 4 APRIL 2024 (CONT'D)

Thirty (30) Largest Warrant Holders

No.	Name	No. of Warrants	%
1.	Fong Poh Chee	97,784,100	34.88
2.	Lee See Yang	48,023,600	17.13
3.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Tan Chin Hoong	13,074,900	4.66
4.	RHB Nominees (Tempatan) Sdn. Bhd. Toh Hong Chye	12,750,000	4.55
5.	HLIB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Goh Beng De @ Gho Beng De (CCTS)	9,796,000	3.49
6.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Lim Siew Boey	9,734,400	3.47
7.	Ho Yi Jing	5,000,000	1.78
8.	Tan Sei Nee	4,737,600	1.69
9.	Fong Kok Leong	3,856,800	1.38
10.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yen Soon Ai	3,466,400	1.24
11.	Wong Ooi Leng	3,000,000	1.07
12.	Wong Khee Bin	3,000,000	1.07
13.	Thor Poh Keow	2,259,300	0.81
14.	Liow Sue Ling	2,049,900	0.73
15.	Lim Chee Seong	1,834,000	0.65
16.	Wong Chau Fong	1,650,000	0.59
17.	Tan Yee Boon	1,647,300	0.59
18.	Koon Ching Chai @ Jimmy	1,590,000	0.57
19.	Goh Beng De @ Gho Beng De	1,515,000	0.54
20.	Tew Poh Geok	1,475,400	0.53
21.	Tan Kok Sing	1,410,000	0.50
22.	Lim Siew Boey	1,371,000	0.49
23.	Tan Kok Sing	1,320,000	0.47
24.	Ong Yoke Meng	1,200,000	0.43
25.	Loo Fooi Wah	1,122,500	0.40
26.	Tan Chu Chin	1,074,000	0.38
27.	Lim Siew Gaik	1,020,000	0.36
28.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Vincent Tan Seng Chye	1,000,000	0.36
29.	Tee Kiam Loow	1,000,000	0.36
30.	Goh Yeh Soong	975,000	0.35

ANALYSIS OF WARRANT B HOLDINGS AS AT 4 APRIL 2024

Number of Warrants in issue	:	106,920,742
Exercise price of the warrants	:	RM0.135
Expiry date of warrants	:	17 June 2024
Rights of Warrants Holder	:	The Warrants holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in our Company until and unless such Warrants holders exercise their Warrants into new ordinary shares of the Company.

Distribution of Warrant Holders

Size of Warrant holdings	No. of Warrant holders	% of Warrant holders	No. of Warrants	%
Less than 99	433	18.72	18,668	0.02
100 to 1,000	596	25.77	292,705	0.27
1,001 to 10,000	838	36.23	2,938,349	2.75
10,001 to 100,000	335	14.48	12,663,820	11.85
100,001 to 5,346,037*	109	4.71	48,651,300	45.50
5,346,038 and above **	2	0.09	42,355,900	39.61
TOTAL	2,313	100.00	106,920,742	100.00

Note:

* Less than 5% of issued shares

** 5% and above of issued shares

List of Directors' Warrant Holdings

No.	Name	Direct Interest	No. of Warrants held		%
			%	Indirect Interest	
1.	Datuk Seri Rahadian Mahmud bin Mohammad Khalil	450,000	0.42	-	-
2.	Toh Hong Chye	-	-	-	-
3.	Wong Ngai Peow	-	-	-	-
4.	Yong Mai Fang	-	-	-	-
5.	Yeong Siew Lee	-	-	-	-
6.	Tiew Chee Ming	-	-	-	-

ANALYSIS OF WARRANT B HOLDINGS AS AT 4 APRIL 2024 (CONT'D)

Thirty (30) Largest Warrant Holders

No.	Name	No. of Warrants	%
1.	Seik Thye Kong	36,885,900	34.50
2.	Kenanga Nominees (Tempatan) Sdn. Bhd. Exempt an for Phillip Securities Pte. Ltd. (Client Account)	5,470,000	5.12
3.	James Ong Chun Jie	2,998,000	2.80
4.	Cheong Yeen Ee	2,170,400	2.03
5.	Affin Hwang Investment Bank Berhad IVT (FOC) Lee Yong Fock	2,005,800	1.88
6.	Tan Wah Kiong	2,000,000	1.87
7.	Kenanga Nominees (Tempatan) Sdn. Bhd. Tan Pow Choo @ Wong Seng Eng (EM1-CN)	1,626,200	1.52
8.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Liaw Tze Shung @ Richard (PB)	1,350,000	1.26
9.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Seik Thye Kong	1,270,000	1.19
10.	Ahmad Amri Bin Ismail	1,250,000	1.17
11.	Maybank Securities Nominees (Asing) Sdn. Bhd. Maybank Securities Pte Ltd for Tan Leong Heng	1,200,000	1.12
12.	Alexander Apoi Lawai	1,050,000	0.98
13.	Tay See Hon	1,050,000	0.98
14.	Apex Securities Berhad IVT PDR 201 Leonard Chin Yen Haw	1,000,000	0.94
15.	Aw Guah Sin	1,000,000	0.94
16.	You Pei Ling	1,000,000	0.94
17.	Tan Chee Yong	910,000	0.85
18.	Lee Choo Tee	825,000	0.77
19.	Samsuri bin Daud	744,000	0.70
20.	Kenanga Nominees (Tempatan) Sdn. Bhd. Rakuten Trade Sdn Bhd for Eu Sze Ken	700,000	0.65
21.	Teh Teong Poh	680,000	0.64
22.	Chia Gek Liang	600,000	0.56
23.	Lee See Yang	600,000	0.56
24.	Ahmad Faizal Bin Harun	594,000	0.56
25.	Teh Ming Poh	580,000	0.54
26.	Chew Sun Noi	561,000	0.52
27.	Loh May Ann	514,890	0.48
28.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Tee Siong (MF00174)	500,000	0.47
29.	LMSI Sdn. Bhd.	500,000	0.47
30.	Loo Kam Seng	500,000	0.47

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting ("**20th AGM**") of AppAsia Berhad ("**Company**") will be held at Gallery 2, Level 1, Concorde Hotel Kuala Lumpur, No. 2, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Thursday, 13 June 2024 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

A G E N D A

Ordinary Business:

- | | | |
|----|---|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with Reports of the Directors' and the Auditors' thereon. | Please refer to Explanatory Note 1 |
| 2. | To re-elect Datuk Seri Rahadian Mahmud bin Mohammad Khalil as Director in accordance with Clause 105(1) of the Constitution of the Company. | Ordinary Resolution 1 |
| 3. | To re-elect Tiew Chee Ming as Director in accordance with Clause 105(1) of the Constitution of the Company. | Ordinary Resolution 2 |
| 4. | To approve the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries up to an aggregate amount of RM350,000.00 per annum until the next Annual General Meeting of the Company. | Ordinary Resolution 3 |
| 5. | To re-appoint Messrs TGS TW PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 4 |

Special Business:

To consider and, if thought fit, to pass the following resolutions:

- | | | |
|----|---|------------------------------|
| 6. | AUTHORITY FOR DATUK SERI RAHADIAN MAHMUD BIN MOHAMMAD KHALIL TO CONTINUE IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR | Ordinary Resolution 5 |
| | <p>"That authority be and is hereby given to Datuk Seri Rahadian Mahmud bin Mohammad Khalil who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance."</p> | |
| 7. | AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT SHARES OR GRANT RIGHTS | Ordinary Resolution 6 |
| | <p>"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued shares/ total number of voting shares of the Company (excluding treasury shares) at the time of issue.</p> <p>THAT pursuant to Section 85 of the Companies Act 2016 approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued Company's shares arising from any issuance of new Company's shares pursuant to Sections 75 and 76 of the Companies Act 2016.</p> | |

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (CONT'D)

THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

8. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS MANDATE")** Ordinary Resolution 7

"THAT subject to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("**AppAsia Group**") to enter into all arrangements and/or transactions involving the interest of Directors, major shareholders or persons connected with the Directors and/or major shareholders of AppAsia Group as specified in the Circular to Shareholders dated 30 April 2024 provided that such transactions are:

- (a) undertaken in the ordinary course of business at arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public;
- (b) necessary for the day-to-day operations; and
- (c) not to the detriment of the minority shareholders of the Company.

THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company at which it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed; or
- (b) the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting.

whichever is earlier;

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders Mandate."

9. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")** Ordinary Resolution 8

"THAT subject to the Companies Act 2016, the provisions of the Constitution of the Company, the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (CONT'D)

- (a) the aggregate number of shares purchased or held as treasury shares does not exceed ten per centum (10%) of the total number of issued and paid-up shares of the Company as quoted on Bursa Securities as at the point of purchase;
- (b) the maximum fund to be allocated by the Company for the purpose of purchasing the shares be backed by an equivalent amount of retained profits; and
- (c) the Directors of the Company may decide either to retain the shares purchased as treasury shares, or cancel the shares, or retain part of the shares so purchased as treasury shares and cancel the remainder, or resell the shares, or transfer the shares or distribute the shares as dividends.

THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:

- (a) the conclusion of the next Annual General Meeting at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting; whichever occurs first.

THAT authority be and is hereby given to the Directors of the Company to decide in their absolute discretion to retain the ordinary shares in the Company so purchased by the Company as Treasury Shares and/or to cancel them and/or to resell them and/or to distribute them as share dividends in such manner as may be permitted and prescribed by the provisions of the Listing Requirements and any other relevant authorities.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the interests of the Company."

10. To transact any other business that may be transacted at an annual general meeting of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

CHIN WAI YI (MAICSA 7069783) (SSM PC No. 202008004409)
Company Secretary

Kuala Lumpur
Date: 30 April 2024

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes on Ordinary and Special Businesses:

1. Item 1 of the Agenda

Agenda item no. 1 is meant for discussion only as the provisions of Section 340 of the Companies Act 2016, it does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

2. Items 2 and 3 of the Agenda

The Nomination Committee ("NC") have considered the performance and contribution of each of the retiring Directors and have also assessed the independence of the Independent Non-Executive Directors seeking for re-election. Based on the results of the Board Evaluation conducted for the financial year ended 31 December 2023, the performance of each of the retiring Directors was found to be satisfactory. In addition, each of the retiring Directors had provided their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

Based on the recommendation of the NC, the Board supports the re-election of the Directors based on the following justifications:

Datuk Seri Rahadian Mahmud bin Mohammad Khalil : The Board is of the view that Datuk Seri Rahadian Mahmud bin Mohammad Khalil has vast experience in businesses under various industries throughout his career with active participation in reforestation, construction, property development, timber and manufacturing sectors, which enables him to bring essential insight to the Board.

Datuk Seri Rahadian Mahmud bin Mohammad Khalil has exercised his due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Chairman of the Company.

Tiew Chee Ming : The Board believes his extensive experience in finance provides a strong addition to the skill sets on the Board.

Tiew Chee Ming has exercised his due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Director of the Company.

3. Item 6 of the Agenda

Pursuant to the Malaysian Code on Corporate Governance, it is recommended that approval of shareholders be sought in the event that the Company intends to retain the independent director who has served in that capacity for more than nine (9) years. Following an assessment and recommendation by the NC, the Board (save for Datuk Seri Rahadian Mahmud bin Mohammad Khalil who had abstained from deliberation on discussion relating to his own continuation in office as Independent Non-Executive Chairman) recommended that Datuk Seri Rahadian Mahmud bin Mohammad Khalil who have served as Independent Non-Executive Chairman for a cumulative term of more than nine (9) years to continue to act as Independent Non-Executive Chairman of the Company based on the following key justifications:

- (a) he fulfils the criteria under the definition of Independent Director as stated in the Listing Requirements of Bursa Securities and, therefore, is able to bring independent and objective judgment to the Board as a whole;
- (b) his experience in the relevant industries has enabled him to provide the Board and Board Committees, as the case may be, with pertinent expertise, skills, contribution and competence;

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (CONT'D)

- (c) he has been with the Company for a certain period and therefore understands the Company's business operations which enables him to contribute actively and effectively during deliberations or discussions at Board and Committee meetings;
- (d) he continues to be scrupulously independent in his thinking and in their effectiveness as constructive challengers of the Executive Directors; and
- (e) he exercised due care during his tenure as an Independent Non-Executive Chairman and carried out his professional duties in the best interest of the Company and shareholders.

4. Item 7 of the Agenda

The Ordinary Resolution 6 proposed under item 7 of the Agenda is to seek the shareholders' approval of a new general mandate for issuance of shares by the Company under Sections 75 and 76 of the Companies Act 2016. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

The waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

5. Item 8 of the Agenda

The proposed Ordinary Resolution 7, if passed, will enable Company and its subsidiaries to enter into recurrent transactions involving interests of Related Parties, which are necessary for its day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Please refer to the Circular to Shareholders dated 30 April 2024 for further details.

6. Item 9 of the Agenda

The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company to exercise the power of the Company to purchase the Company Shares of not more than 10% of the total number of issued shares of the Company at any time within the time period stipulated in the ACE Market Listing Requirements by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a meeting of members, shall continue to be in full force until the conclusion of the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 30 April 2024 for further details.

Notes:

1. *The 20th AGM of the Company will be held at Gallery 2, Level 1, Concorde Hotel Kuala Lumpur, No. 2, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Thursday, 13 June 2024 at 10.00 a.m. or at any adjournment thereof. **(Please follow the procedures as stipulated in the Administrative Details).***
2. *A member of the Company who is entitled to attend, speak and vote at this 20th AGM may appoint a proxy to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his(her) proxy without limitation.*
3. *Where a member appoints more than one (1) proxy to attend and vote at the same 20th AGM, the*

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (CONT'D)

appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.

4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("**SICDA**"), he/she may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.
5. Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

6. The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.
7. The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Share Registrar, GAP Advisory Sdn. Bhd. at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or email to ir.shareregistry@gapadvisory.my not less than forty eight (48) hours before the time appointed for holding the 20th AGM (no later than Tuesday, 11 June 2024 at 10.00 a.m.) or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid. Please refer to the Administrative Details for the 20th AGM.
8. The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.
9. In respect of deposited securities, only members whose names appear in the Record of Depositors on 6 June 2024 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this 20th AGM.
10. Any alteration in the Proxy Form must be initialed.
11. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolution set out in the Notice of 20th AGM will be put to the vote by poll.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 20th AGM and/ or any adjournment thereof, a member of the Company:

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



APPASIA BERHAD

[Registration No. 200401005180 (643683-U)]
(Incorporated in Malaysia)

**ADMINISTRATIVE DETAILS
TWENTIETH ANNUAL GENERAL MEETING OF APPASIA BERHAD**

TO BE HELD AT GALLERY 2, LEVEL 1, CONCORDE HOTEL KUALA LUMPUR, NO. 2, JALAN SULTAN ISMAIL, 50250 KUALA LUMPUR, MALAYSIA ON THURSDAY, 13 JUNE 2024 AT 10.00 A.M.

REGISTRATION

1. Registration will start at 9.00 a.m. and will remain open until the conclusion of the Twentieth Annual General Meeting ("**20th AGM**") or such time as may be determined by the Chairman of the meeting.
2. Please produce your original MyKad/Identification Card or Passport (for foreigners) during registration. Only original MyKad/Identification Card or Passport will be accepted for the purpose of the identity verification. Please ensure that you collect your MyKad/Identification Card or Passport thereafter.
3. No person will be allowed to register on behalf of another person with the original MyKad/Identification Card or Passport of that other person.
4. Upon verification and registration:
 - a. Please sign the Attendance List and polling slip will be provided at the registration counter;
 - b. If you are attending the 20th AGM as a shareholder as well as a proxy, you will be registered once; and
 - c. No person will be allowed to enter the meeting hall without registration. There will be no replacement in the event that you lose/misplace the polling slip.
5. After registration, please vacate the registration area immediately and proceed to the meeting hall.
6. The registration counter will only handle verification of identity and registration of attendance.
7. Help desk support is available for any other enquiries/assistance/revocation of proxy's appointment.

DOOR GIFT

No door gift would be provided at the 20th AGM.

LODGEMENT OF PROXY FORM

1. If you are unable to attend the 20th AGM in person and wish to appoint the Chairman of the 20th AGM as your proxy to vote on your behalf, the instrument appointing proxy(ies) may be made in the following manner:
 - a) In hard copy form
Please deposit your proxy form at the office of the Poll Administrator, GAP Advisory Sdn. Bhd. ("**GAP**"), E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time of holding the 20th AGM, i.e. latest by Tuesday, 11 June 2024 at 10.00 a.m. Any alteration to the Form of Proxy must be initialled.
 - b) By electronic means
Please email to ir.shareregistry@gapadvisory.my not less than forty-eight (48) hours before the time of holding the 20th AGM, i.e. latest by Tuesday, 11 June 2024 at 10:00 a.m. Any alteration to the Form of Proxy must be initialled.
2. If you wish to participate in the 20th AGM yourself, please do not submit any proxy form for the 20th AGM. You will not be allowed to participate in the 20th AGM together with a proxy appointed by you.

REVOCATION OF PROXY

If you have submitted your Proxy Form prior to the AGM and subsequently decide to appoint another person or wish to participate in the 20th AGM yourself, please write in to ir.shareregistry@gapadvisory.my to revoke the earlier appointed proxy(ies) at least forty-eight (48) hours before the 20th AGM or proceed to the Help desk counter on the 20th AGM day to do proxy revocation. On revocation, your proxy(ies) will not be allowed to participate in the 20th AGM. In such event, you should advise your proxy(ies) accordingly.

DIGITAL COPIES OF 20TH AGM DOCUMENTS

As a part of our commitment to environmentally sustainable practices by reducing paper usage, the following documents can be accessed from our website at www.appasia.com:

1. Annual Report 2023
2. Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed Renewal of Share Buy-Back Authority for the Company to Purchase its own Ordinary Shares
3. Corporate Governance Report 2023
4. Notice of the 20th AGM
5. Proxy Form

VOTING AT MEETING

1. Voting will be conducted by poll in accordance Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed GAP as the Poll Administrator and Quantegic Services Sdn. Bhd. as Independent Scrutineer to verify the poll results.
2. Voting for all the resolutions set out in the Notice of 20th AGM will take place concurrently after the relevant questions in respect of these resolutions have been addressed.

ENQUIRY

For any enquiries and administrative details relating to the meeting, please contact GAP during office hours from Monday to Friday (9.00 a.m. to 6.00 p.m.), detail as follows:

GAP Advisory Sdn. Bhd.

Address : E-10-4, Megan Avenue 1,
189, Jalan Tun Razak,
50400 Kuala Lumpur,
W.P. Kuala Lumpur, Malaysia

General Line : +60 3 2181 0516

Email : ir.shareregistry@gapadvisory.my

PERSONAL DATA POLICY

By resigning for the meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data by AppAsia Berhad (or its agents) for the following purposes:

1. For registration;
2. Communicate with the shareholders and proxy holders who participate at the 20th AGM;
3. Respond to the shareholders' and proxy holders' enquiries;
4. For internal record keeping;
5. Send promotional materials, advertisement for marketing purposes;
6. Publication of your personal information in any minutes, website, newsletter, brochure or any other materials which may be published internally or externally;
7. For processing and administration by the Company (or its agents); and
8. Comply with any laws, listing rules, regulations and/or guidelines.

The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

**APPASIA BERHAD**

[Registration No. 200401005180 (643683-U)]
(Incorporated in Malaysia)

PROXY FORM

Number of Shares Held	
CDS Account No.	

I/We, _____ NRIC/Passport No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

contact no. _____ email address _____

being a member/ members of **AppAsia Berhad** ("**AppAsia**" or the "**Company**") hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Twentieth Annual General Meeting ("**20th AGM**") of the Company to be held at Gallery 2, Level 1, Concorde Hotel Kuala Lumpur, No. 2, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Thursday, 13 June 2024 at 10.00 a.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

IMPORTANT NOTE:

Please (i) tick [✓] either **ONE** of the option (a) or (b) for the number of proxy which you wish to appoint, (ii) complete the details of your proxy/proxies and the proportion of your shareholding to be represented (if applicable), (iii) please tick [✓] option (c) if you would like to appoint the Chairman of the 20th AGM as the proxy or failing the proxy to vote on your behalf and (iv) sign or execute this form.

Option	Name of proxy(ies)	NRIC/ Registration No.	Email Address & Phone Number	Proportion of shareholding to be represented
(a)	Appoint ONE proxy only (Please complete details of proxy below)			
				100%
(b)	Appoint MORE THAN ONE proxy (Please complete details of proxies below)			
Proxy 1				%
Proxy 2				%
				100%
(c)	The Chairman of the 20th AGM as my/our proxy and/or failing the above proxy to vote for me/us on my/our behalf			

My/our proxy/proxies is/are to vote as indicated below:

Please indicate with an "X" in the appropriate box provided to indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on the Resolutions, the proxy shall vote at his/her discretion, or abstain from voting as the proxy thinks fit.

NO.	RESOLUTIONS	FOR		AGAINST	
		PROXY 1	PROXY 2	PROXY 1	PROXY 2
	Ordinary Business				
Ordinary Resolution 1	To re-elect Datuk Seri Rahadian Mahmud bin Mohammad Khalil				
Ordinary Resolution 2	To re-elect Tiew Chee Ming				
Ordinary Resolution 3	To approve the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries up to an aggregate amount of RM350,000.00 per annum until the next Annual General Meeting of the Company.				
Ordinary Resolution 4	To re-appoint Messrs TGS TW PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.				
	Special Business				
Ordinary Resolution 5	To approve Datuk Seri Rahadian Mahmud bin Mohammad Khalil to continue in office as an Independent Non-Executive Director				
Ordinary Resolution 6	To authorise the Directors to allot and issue shares or grant rights pursuant to Sections 75 and 76 of the Companies Act 2016				
Ordinary Resolution 7	Proposed renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature				
Ordinary Resolution 8	Proposed renewal of Share Buy-Back Authority				

Dated this ____ day of _____ 2024

Signature / Common Seal of Shareholder

Contact No: _____



Notes:

1. The 20th AGM of the Company will be held at Gallery 2, Level 1, Concorde Hotel Kuala Lumpur, No. 2, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Thursday, 13 June 2024 at 10.00 a.m. or at any adjournment thereof. **(Please follow the procedures as stipulated in the Administrative Details).**
2. A member of the Company who is entitled to attend, speak and vote at this 20th AGM may appoint a proxy to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his(her) proxy without limitation.
3. Where a member appoints more than one (1) proxy to attend and vote at the same 20th AGM, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("SICDA"), he(she) may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.
5. Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 23A(1) of SICDA.
6. The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.
7. The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Share Registrar, GAP Advisory Sdn. Bhd. at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or email to ir.shareregistry@gapadvisory.my not less than forty eight (48) hours before the time appointed for holding the 20th AGM (no later than Tuesday, 11 June 2024 at 10.00 a.m.) or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid. Please refer to the Administrative Details for the 20th AGM.
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- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

Please fold here

**Affix
Stamp**

GAP Advisory Sdn. Bhd.,

Share Registrar of

APPASIA BERHAD

[Registration No. 200401005180 (643683-U)]

E-10-4, Megan Avenue 1

189, Jalan Tun Razak

50400 Kuala Lumpur

W.P. Kuala Lumpur

Malaysia.

Please fold here



(Registration No. 200401005180 (643683-U))

1-40-1, Menara Bangkok Bank, Berjaya Central Park,
No.105, Jalan Ampang, 50450 Kuala Lumpur,
Tel : +603-2181 3666
Email : info@appasia.com
Website : www.AppAsia.com

