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:

	Number of Options over ordinary shares			
Date of offer	**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**	**Exercised**	**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
	2,161,029	395,282

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 theallowance 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
Recoverability of trade receivables The Group's trade receivables amounting to RM14.90 million, representing approximately 53% of the Group's total assets as at 31 December 2023. 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.	We obtained the understanding of the Group's credit risk policy, and tested the processes used by management to assess credit exposures. 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. We tested the accuracy and completeness of the data used by the management.

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)	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. We evaluated the appropriateness and adequacy of the disclosures of expected credit loss in accordance with MFRS 9 *Financial Instruments*.

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	
		2023	2022	2023	2022
	Note	RM	RM	RM	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	-	-
		4,355,668	5,351,769	16,922,905	18,294,111
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
		23,997,662	22,622,480	7,585,481	11,098,055
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	
		2023	2022	2023	2022
	Note	RM	RM	RM	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

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Revenue	19	22,776,076	59,922,965	1,512,264	1,558,973
Cost of sales		(12,618,289)	(51,986,658)	(28,800)	(28,800)
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		(14,180)	11,101	(3,658,610)	-
Profit/(Loss) from operation		2,715,701	1,140,831	(5,162,708)	(714,009)
Finance cost	20	(37,791)	(24,619)	(23,407)	(14,460)
Profit/(Loss) before tax	21	2,677,910	1,116,212	(5,186,115)	(728,469)
Taxation	22	(786,847)	(542,795)	(33,106)	(22,841)
Profit/(Loss) for the financial year		1,891,063	573,417	(5,219,221)	(751,310)

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	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Changes in fair value of digital assets at fair value through other comprehensive income		322,236	-	-	-
Total comprehensive income/(loss) for the financial year		2,213,299	573,417	(5,219,221)	(751,310)
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		(51,428)	(33,431)	-	-
		1,891,063	573,417	(5,219,221)	(751,310)

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

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	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)	-	-
		2,213,299	573,417	(5,219,221)	(751,310)
Earnings per share (sen)					
Basic earnings per share	23(a)	0.18	0.06		
Diluted earnings per share	23(b)	0.15	0.05		

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

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

		Attributable to the Owners of the Company									
		Non-Distributable						Distributable			
Group	Note	Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Other Reserve RM	Share Issuance Scheme Option Reserve RM	Fair value Reserve RM	Retained Earnings RM	Total RM	Non-Controlling Interests RM	Total Equity RM
At 1 January 2023		30,732,671	(7,566,646)	16,258,519	(16,258,519)	600,090	-	566,869	24,332,984	(235,135)	24,097,849
Profit for the financial year		-	-	-	-	-	-	1,942,491	1,942,491	-	1,942,491
Net changes in fair value of digital asset		-	-	-	-	-	322,236	-	322,236	(51,428)	270,808
Total comprehensive income/(loss) for the financial year		-	-	-	-	-	322,236	1,942,491	2,264,727	(51,428)	2,213,299
Transactions with owners:											
Conversion of warrants	13	1,370,112	-	(1,724,057)	1,724,057	-	-	-	1,370,112	-	1,370,112
Shares repurchased	14	-	(2,802,640)	-	-	-	-	-	(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)	-	(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	25,165,183	(286,563)	24,878,620

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

		Attributable to the Owners of the Company								
		Non-Distributable					Distributable			
Group	Note	Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Other Reserve RM	Share Issuance Scheme Option Reserve RM	(Accumulated Losses)/ Retained Earnings RM	Total RM	Non-Controlling Interests RM	Total Equity 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)

		Attributable to the Owners of the Company						
		Non-Distributable					Distributable	
Company	Note	Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Other Reserve RM	Share Issuance Scheme Option Reserve RM	Retained Earnings RM	Total Equity RM
At 1 January 2023		30,732,671	(7,566,646)	16,258,519	(16,258,519)	600,090	4,083,536	27,849,651
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	-	(5,219,221)	(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	(1,135,685)	21,197,902

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

		Attributable to the Owners of the Company						
		Non-Distributable					Distributable	
Company	**Note**	**Share Capital RM**	**Treasury Shares RM**	**Warrant Reserve RM**	**Other Reserve RM**	**Share Issuance Scheme Option Reserve RM**	**Retained Earnings RM**	**Total Equity RM**
At 1 January 2022		30,727,871	(7,173,700)	16,264,559	(16,264,559)	600,090	4,834,846	28,989,107
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	-	(751,310)	(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	4,083,536	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	(1,825,886)	(787,448)	2,130,892	(1,022,765)
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	4,718,252	9,164,461	445,556	2,094,576
Cash and cash equivalents at the end of the financial year	7,992,310	4,718,252	1,208,574	445,556
Cash and cash equivalents at the end of the financial year comprises:				
Cash and bank balances	7,992,310	4,718,252	1,208,574	445,556

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 beginning on or after
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:

<u>Determining the lease term of contracts with renewal and termination options - Group as lessee</u>

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.

<u>Satisfaction of performance obligations in relation to contracts with customers</u>

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

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%

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

<u>Equity-settled Share-based Payment Transaction</u>

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 if 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

	Furniture and fittings RM	Office equipment RM	Computers RM	Camera equipment RM	Motor vehicles RM	Renovation RM	Total RM
Group							
2023							
Cost							
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)

	Furniture and fittings RM	Office equipment RM	Computers RM	Camera equipment RM	Motor vehicles RM	Renovation RM	Total RM
Group							
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)

	Funiture 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)

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

(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)

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	1,163,569	866,838
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	711,271	458,608
Carrying amount		
At 31 December	452,298	408,230

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	721,281	489,916
Accumulated depreciation		
At 1 January	244,958	-
Charge for the financial year	235,896	244,958
At 31 December	480,854	244,958
Carrying amount		
At 31 December	240,427	244,958

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	4,652,916	639,426	522,110	5,814,452
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	3,968,861	-	522,110	4,490,971

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 RM	**2022 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 RM	**2022 RM**
At 1 January	2,727,430	2,222,830
Charge for the financial year	1,410,346	504,600
Át 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 2023 %	Effective interest 2022 %	Principal activities
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 2023 %	Effective interest 2022 %	Principal activities
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 2023 RM	Group 2022 RM	Company 2023 RM	Company 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	Group 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:

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

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 RM	Group 2022 RM
At 1 January	-	-
Charge for the financial year	194	-
At 31 December	194	-

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

11. Amount Due from/(to) Subsidiary Companies

	Company 2023 RM	Company 2022 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 RM	Company 2022 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	1,161,930,160	1,127,677,360	32,102,783	30,732,671

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	2022	2023	2022
	Units	Units	RM	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	74,587,500	50,761,200	10,369,286	7,566,646

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

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	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		2,509,360	566,869	(1,135,685)	4,083,536
		3,431,686	1,166,959	(535,595)	4,683,626

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
	466,982	416,837	249,605	249,605

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	-	-
	482,722	425,922	254,772	254,772
Less: Future finance charges	(15,740)	(9,085)	(5,167)	(5,167)
Present value of lease liabilities	466,982	416,837	249,605	249,605

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	-	-
	2,397,309	3,137,342	97,847	93,763

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
	21,146,201	58,876,574	1,386,000	1,422,000
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	-	-
	1,629,875	1,046,391	126,264	136,973
	22,776,076	59,922,965	1,512,264	1,558,973

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	21,146,201	58,876,574	1,386,000	1,422,000

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)

	Investment Holding RM	Digital Solutions RM	E-Commerce Business RM	Others RM	Consolidated Total RM
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 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 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 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 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 RM	2022 RM	2023 RM	2022 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 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 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)
	786,847	542,795	33,106	22,841

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 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Profit/(Loss) before tax	2,677,910	1,116,212	(5,186,115)	(728,469)
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	(335,611)	(392,533)	(22,158)	(14,654)
	782,269	512,981	28,254	26,873
Under/(Over) provision of taxation in prior years	4,578	29,814	4,852	(4,032)
	786,847	542,795	33,106	22,841

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 RM	2022 RM	2023 RM	2022 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
	11,581,044	12,306,371	7,517,694	7,608,049

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

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	1,942,491	606,848
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	(14,648,002)	(690,947)
Weighted average number of ordinary shares at 31 December	1,071,398,136	1,081,136,735
Basic earnings per share (in sen)	0.18	0.06

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	1,942,491	606,848
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	179,185,093	171,001,747
Weighted average number of ordinary shares at 31 December (diluted)	1,261,074,691	1,259,169,070
Diluted earnings per share (in sen)	0.15	0.05

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	(11,925)	(20,741)	(3,304)	(3,508)
	-	-	-	-

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	11,925	20,741	3,304	3,508
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	(6,207)	(17,911)	(3,304)	(3,508)
Unutilised tax losses				
At 1 January	-	-	-	-
Recognised in profit or loss	(5,718)	-	-	-
At 31 December	(5,718)	-	-	-

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)	-	-
	(11,925)	(20,741)	(3,304)	(3,508)

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	-	-
	11,976,095	12,398,264	7,503,927	7,596,254

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
	5,350,954	4,875,311	697,985	865,542

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				
Directors of the Company				
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
	1,919,850	1,643,602	262,782	391,857

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)		
Director of subsidiary company		
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
	108,679	139,882

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 1 January RM	New lease RM	Termination of lease RM	Financing cash flows (i) RM	At 31 December 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:

		Number of options over ordinary shares			
Date of offer	**Exercise price**	**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)

		Number of options over ordinary shares			
Date of offer	**Exercise price**	**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	370,722	370,722

	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	(120,000)	(120,000)
Transactions with companies in which a Director of the Company has substantial financial interests		
Rental of premises paid/payable	254,772	254,772

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 RM	2022 RM	2023 RM	2022 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
	2,323,132	2,045,442	395,282	511,357

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.

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	**2022**
	RM	**RM**
Group		
- Customer A	-	34,941,127
- Customer B	3,712,185	-
- Customer C	2,646,989	-
	6,359,174	34,941,127

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	**2022**
	RM	**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
	23,375,629	22,513,875
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
	2,802,038	3,496,561

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
	7,534,063	11,043,035
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
	3,310,484	1,542,515

(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				
Non-derivative financial liabilities				
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
	2,747,778	70,000	2,817,778	2,802,038
2022				
Non-derivative financial liabilities				
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
	3,497,646	8,000	3,505,646	3,496,561

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			
Non-derivative financial liability			
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
	3,315,651	3,315,651	3,310,484
2022			
Non-derivative financial liabilities			
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
	1,547,682	1,547,682	1,542,515

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
	145
2022	
Cash and bank balances	1,284
Trade receivables	1,782
	3,066

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**
	Change in currency rate RM	**Effect on loss before tax RM**	**Change in currency rate RM**	**Effect on profit before tax RM**
Group				
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)
	12,155,996	13,823,584
Company		
Fixed rate instrument		
Financial liabilities	(249,605)	(249,605)

Interest rate risk sensitivity analysis

<u>Fair value sensitivity analysis for fixed rate instruments</u>

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 RM	2022 RM	2023 RM	2022 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.