



AppAsia

ANNUAL REPORT

2024

DIGITAL INNOVATION | FOR A BETTER LIFE

SHOPPING REDISCOVERED

CENTERPOINT
SEREMBAN

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



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

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



+606-763 9889



info@centerpointseremban.com



www.centerpointseremban.com



LEASING INQUIRIES:

+60 11 9300 000



PEGASUS HEIGHTS BERHAD

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



MALL ADDRESS:

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

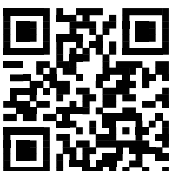
Digital Platform **Solution**



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

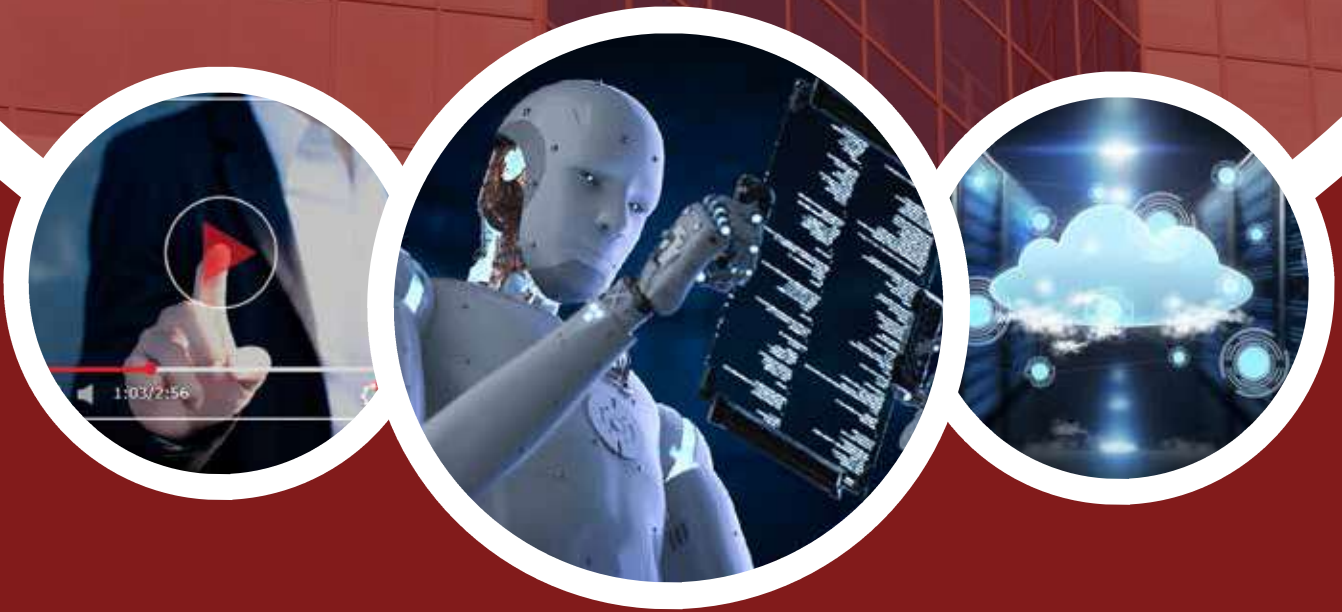
AI + Big Data + Cloud + Security

For your digital platform
project with the advanced
digital platform solutions





CONTENT DELIVERY & A.I. SOLUTIONS



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

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

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

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www.appasia.com



FREEHOLD

Designed for Business Success Unparalleled Opportunity

**LIMITED UNITS
ONLY**



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

2 & 3 Storey Shop Office • 22' x 70'

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

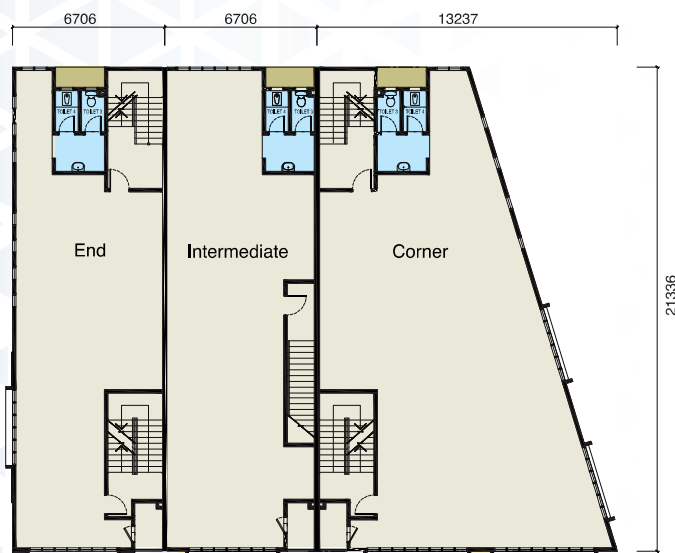


GREAT AMENITIES

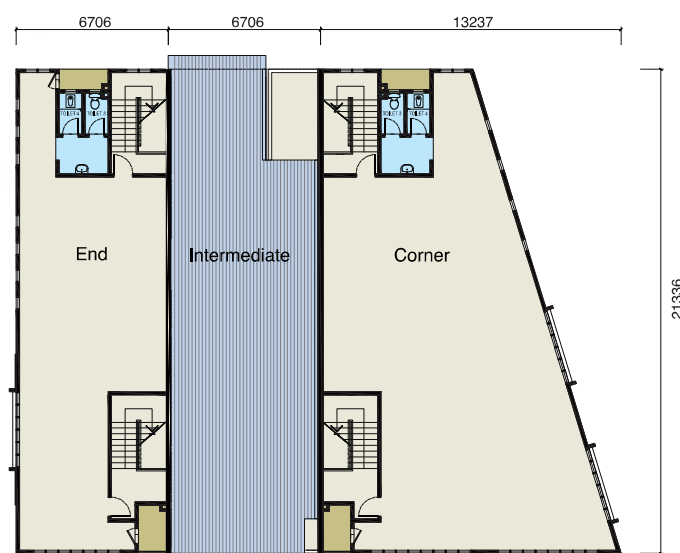
- Next to Drive Thru Restaurant
- 1 KM to KTM Station
- Near to Kuala Kubu Bharu Town

PRACTICAL INVESTMENT

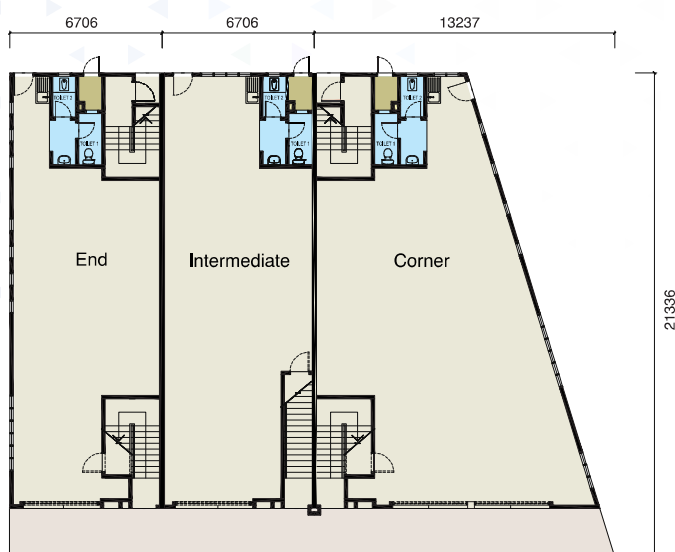
- Excellent appreciation potential
- Spacious and liberal layout
- Ample Car Park spaces



First Floor



Second Floor



Ground Floor



* All photos are artist impression only

Developer:



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

www.sinmah.com.my

03-6414 3101
011-1126 2828



Alami Gaya Hidup Santai, Damai dan Tenang



HAK MILIK KEKAL



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

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

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

CIRI-CIRI:

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

KEMUDAHAN DAN FASILITI:

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



PELAN LANTAI



Tingkat Atas



Tingkat-Bawah

SPESIFIKASI

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

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

KUNCI : Set Kunci Berkualiti

KEMASAN DINDING	
Dinding Luanan	: Cat
Dinding Dalaman	: Cat
Dapur / Bilik Mandi	: Jubin Setinggi 1500mm / Cat
Bilik Mandi Utama	: Jubin Setinggi Siling / Cat

KEMASAN LANTAI	
Ruang Tamu / Makan / Dapur	1 Jubin
Bilik Tidur (Aras Bawah)	2 Jubin
Bilik Tidur (Aras Atas)	2 SPC
Bilik Mandi	2 Jubin
Tangga	2 SPC
Bilik Utiliti / Apron	1 Lepas Simen
Anjung kereta	1 Lepas Simen
Teras (Lot Topi / Hujung Sahaja)	1 Jubin

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


PEMASANGAN PUNCA ELEKTRIK
Punca Kuasa Soket 15Amp, Punca Kuasa Lampu, Punca Kipas, Punca Penghawa Dingin,
Punca Pemanas Air & Punca MATV

PEMASANGAN PUNCA TELEFON : Soket Dinding Fiber

PAGAR : Batu-bata / Pagar Dawai Berangkai



PELAN TAPAK

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

011-1126 2828 • 03-6414 3101

www.sinmah.com.my

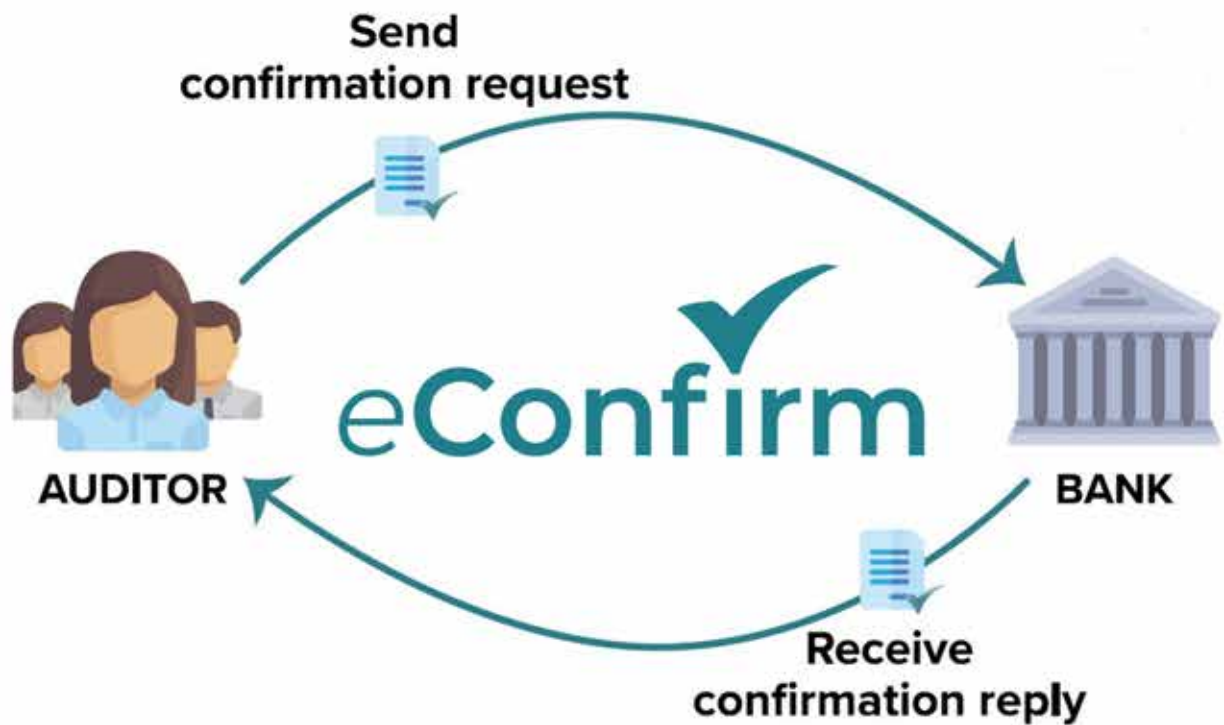
PENAJU



IRAMA SETIA SDN BHD
(1410296-E) (Mik Kumpulan Semasih Capital Berhad)
A1-13A-15, Artoris, No 10 Jalan Kiara, Mont Kiara,
50480 Kuala Lumpur, Malaysia

No. Istimewa Penerbitan: 2054/508-2020/0120094 • Tanggal Sial: 24/08/2023 - 23/08/2028 • No. Proyek: Bilan dan Juklat: 30443 012 2023/01272010 • Tanggal Sial: 14/10/2023 - 13/10/2028 • Pengerjaan Sial: Negeri Sekeloa Lembang • Beresment/gedung: Tanah: Kerta • Tanah Dianggap Sial: Desember 2025 • Pihak Berkepentingan: Majelis Permusyawaratan Rakyat Selenggara (MPR/6) • No. Maksimal Sial: Nilai Anggaran: 861723381 MPR/6: 4315752220230581 • Jenis Sial: Rantai Sial 2 Tanggal (70/20) • Jumlah Sial: 27 Sial • Harga: Rp.500.000.000.000 • RAB: 699.190.000.000

Global Electronic Bank Confirmation Platform



Reduce Fraud Risk

Establish a highly secure communication channel between the auditor and the responder. Protect information transfer through reliable controls.



Cost Saving

Traditional bank confirmations are costly because physical confirmations need to be posted using couriers. eConfirm will eliminate this process.



Time Saving

Reduce time and effort for printing, mailing and follow-ups. Confirmations that usually take weeks now only take days with eConfirm.



Minimize Human Error

By using eConfirm, the possibility of human errors occurring will be significantly minimized.



Enhanced Security

Several fraud cases have revealed the inherent weaknesses in paper-based confirmations, which can be prevented using eConfirm.



eConfirm *Global*



eConfirm *.my*

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CORPORATE INFORMATION



BOARD OF DIRECTORS

DATUK SERI RAHADIAN MAHMUD BIN MOHAMMAD KHALIL

(INDEPENDENT NON-EXECUTIVE CHAIRMAN)

TOH HONG CHYE

(EXECUTIVE DIRECTOR)

WONG NGAI PEOW

(EXECUTIVE DIRECTOR)

YONG MAI FANG

(EXECUTIVE DIRECTOR)

YEONG SIEW LEE

(INDEPENDENT NON-EXECUTIVE DIRECTOR)

TIEW CHEE MING

(INDEPENDENT NON-EXECUTIVE DIRECTOR)

GEORGE TAN KAN CHIN

(NON-INDEPENDENT NON-EXECUTIVE DIRECTOR)

HUAN SOO WAI

(INDEPENDENT NON-EXECUTIVE DIRECTOR)

TAN CHIAU WEI

(INDEPENDENT NON-EXECUTIVE DIRECTOR)

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

SHARE ISSUANCE SCHEME ("SIS") COMMITTEE

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

COMPANY SECRETARY

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

REGISTERED OFFICE

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

HEAD OFFICE

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

AUDITORS

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

PRINCIPAL BANK

CIMB Bank Berhad

SHARE REGISTRAR

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

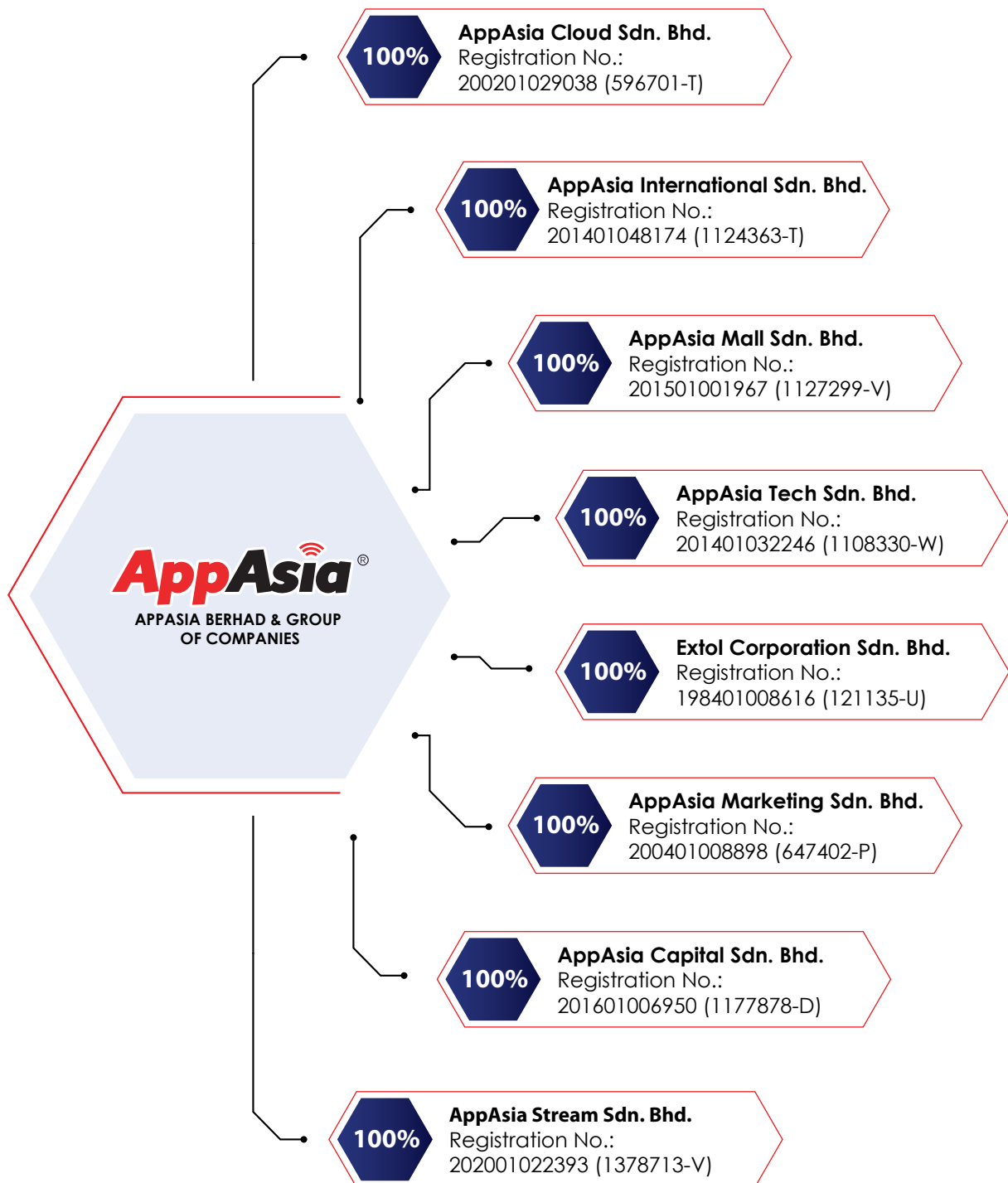
COMPANY SOLICITORS

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

STOCK EXCHANGE LISTING

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

CORPORATE STRUCTURE



DIRECTORS' PROFILES

DATUK SERI RAHADIAN MAHMUD BIN MOHAMMAD KHALIL

Independent Non-Executive Chairman

Age
52

Nationality
Malaysian

Gender
Male

Date of Appointment
24 July 2014

Board Committee membership
Member of the Audit Committee
Member of the Remuneration Committee
Member of the Nomination Committee

Qualification, Working Experience and Occupation

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

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

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

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

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

Directorship of public companies and listed issuers

- Sinmah Capital Berhad (Executive Chairman)

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

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILES (CONT'D)

WONG NGAI PEOW

Executive Director

Age

50

Nationality

Malaysian

Gender

Male

Date of Appointment

28 May 2014

Board Committee membership

Member of the Share Issuance Scheme Committee

Qualification, Working Experience and Occupation

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

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

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

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

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

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

Directorship of public companies and listed issuers

Nil

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

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILES (CONT'D)

TOH HONG CHYE

Executive Director

Age

50

Nationality

Malaysian

Gender

Male

Date of Appointment

24 July 2014

Board Committee membership

Chairman of the Share Issuance
Scheme Committee

Qualification, Working Experience and Occupation

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

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

Directorship of public companies and listed issuers

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

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

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

Conflict of interest with listed issuer

Toh Hong Chye is the Director of PHB Capital Sdn. Bhd., the subsidiary of Pegasus Heights Berhad, and AppAsia Capital Sdn. Bhd., the subsidiary of the Company, in which both companies' are in the provision of licensed money lending business.

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILES (CONT'D)

YONG MAI FANG

Executive Director

Age

49

Nationality

Malaysian

Gender

Female

Date of Appointment

1 March 2018

Board Committee membership

Member of the Share Issuance Scheme Committee

Qualification, Working Experience and Occupation

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

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

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

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

Directorship of public companies and listed issuers

Nil

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

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

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILES (CONT'D)

YEONG SIEW LEE

Independent Non-Executive Director

Age

47

Nationality

Malaysian

Gender

Female

Date of Appointment

8 June 2022

Board Committee membership

Chairperson of the Nomination Committee

Chairperson of the Remuneration Committee

Member of the Audit Committee

Qualification, Working Experience and Occupation

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

Directorship of public companies and listed issuers

- Pekat Group Berhad (Independent Non-Executive Director)
- Sinmah Capital Berhad (Independent Non-Executive Director)
- Binasat Communications Berhad (Independent Non-Executive Director)

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

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILES (CONT'D)

TIEW CHEE MING

Independent Non-Executive Director

Age

36

Nationality

Malaysian

Gender

Male

Date of Appointment

1 March 2018

Board Committee membership

Chairman of the Audit Committee

Member of the Nomination Committee

Member of the Remuneration Committee

Qualification, Working Experience and Occupation

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

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

Directorship of public companies and listed issuers

Nil

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

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILES

(CONT'D)

GEORGE TAN KAN CHIN

Non-Independent Non-Executive Director

Age

31

Nationality

Malaysian

Gender

Male

Date of Appointment

21 August 2024

Board Committee membership

Nil

Qualification, Working Experience and Occupation

George Tan Kan Chin (George Tan) is an investment consultant with over 10 years of experience in business and operations management, as well as investment consultancy. He has expertise in property development, property management, trading and services, and food and beverage sectors. He excels in identifying investment opportunities, developing and executing investment strategies, and maximising returns. He is a dedicated and knowledgeable investment consultant with a strong track record in achieving favourable outcomes.

George Tan is well-versed in economic and market trends and prioritizes ethical standards and regulatory compliance. He holds directorship positions in various private businesses. Subsequently, he was appointed as Non-Independent Non-Executive Director of Wellcall Holdings Berhad on 28 August 2024.

Directorship of public companies and listed issuers

- Wellcall Holdings Berhad (Non- Independent Non-Executive Director)

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

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILES (CONT'D)

HUAN SOO WAI

Independent Non-Executive Director

Age

37

Nationality

Malaysian

Gender

Male

Date of Appointment

21 August 2024

Board Committee membership

Nil

Qualification, Working Experience and Occupation

Huan Soo Wai holds a Degree in Bachelor of Engineering (Honours) Electronics Majoring in Computer from Multimedia University.

He is a dedicated and passionate businessman with over a decade of experience in e-commerce, business development, management, sales and marketing.

Huan Soo Wai began his career as a software engineer in Acoustic & Lighting System Sdn. Bhd. Subsequently he ventured into e-commerce business and is currently serving as a Director for several private companies.

Directorship of public companies and listed issuers

Nil

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

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILES

(CONT'D)

TAN CHIAU WEI

Independent Non-Executive Director

Age
41

Nationality
Malaysian

Gender
Male

Date of Appointment
20 December 2024

Board Committee membership
Nil

Qualification, Working Experience and Occupation

Tan Chiau Wei holds a Master of Business Administration from University of Southampton and Degree in Bachelor of Arts (Management) from University of Hertfordshire.

He is a seasoned leader in business management, marketing, with extensive experience in sales and executive roles across multiple industries. With a solid educational background and a proven track record of driving business growth and marketing strategies, Tan Chiau Wei has excelled in leadership positions.

Tan Chiau Wei is currently serving as the Chief Executive Officer of Eostre Sdn. Bhd., driving the organisation forward through innovation, strategic thinking, and a passion for building sustainable business models.

Directorship of public companies and listed issuers

Nil

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

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

PROFILES OF KEY SENIOR MANAGEMENT

LOKE BAN YEE

TECHNICAL LEAD, E-MEDIA

Age

38

Nationality

Malaysian

Gender

Female

Date of Appointment

1 July 2014

Qualification, Working Experience and Occupation

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

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

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

Directorship of public companies and listed issuers

Nil

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

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

MANAGEMENT DISCUSSION AND ANALYSIS

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

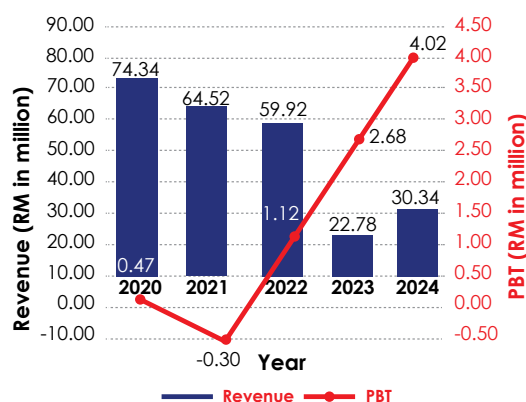
The MD&A should be read in conjunction with our financial statements and the accompanying Notes to the Financial Statements.

1) GROUP BUSINESS OPERATIONS AND PERFORMANCE

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

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

Revenue & PBT Comparison Year 2020-2024

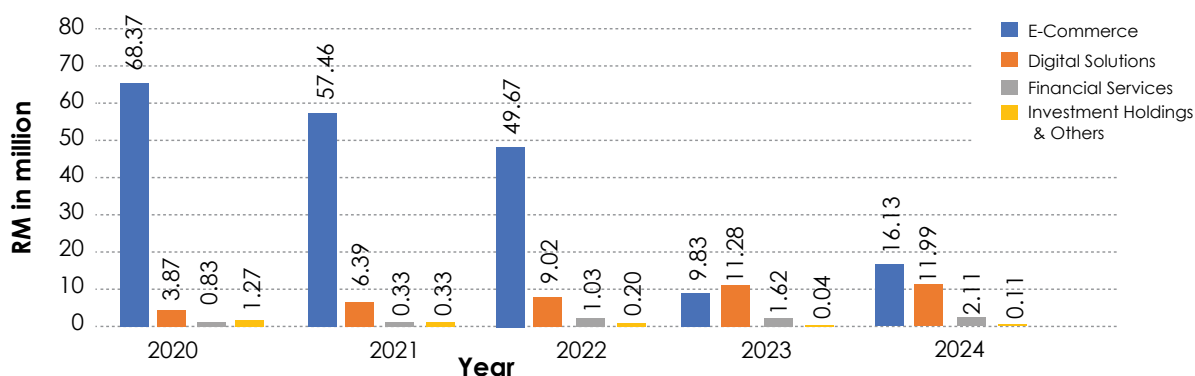


In the financial year ended 31 December 2024 ("FYE2024"), despite the local and global economy uncertainties, the Group managed to maintain its profitability since 2023 and further increase its profit before taxation ("PBT") by 50% to RM4.02 million as compared to RM2.68 million as recorded in the financial year ended 31 December 2023 ("FYE2023"). The increase of revenue and profit margin in Digital Solutions and Financial Services business segments are the major contributor to the Group's overall profit.

The Group's overall revenue in FYE2024 increased to RM 30.34 million from RM22.78 million in FYE2023. This was mainly due to the increase of Business-to-Business ("B2B") e-commerce transactions.

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

Segmental Revenue Comparison for Year 2020-2024



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

1) GROUP BUSINESS OPERATIONS AND PERFORMANCE (CONT'D)

a) Digital Solutions Business

The Group's Digital Solution business continued to grow and perform well with its revenue increased by 6.29% from RM11.28 million (FYE2023) to RM11.99 million (FYE2024). The Digital Solutions business segment contributed PBT of RM2.44 million.

The major reason for the growth was attributed to the better performance of the Group's electronic bank confirmation platform, eConfirm. The bank confirmation transactions in FYE2024 increased by 25.87% compared to FYE2023. Almost all of the local audit firms, including Jabatan Audit Negara ("JAN"), Institute of Cooperative & Management Auditors ("ICMA") and Suruhanjaya Koperasi Malaysia ("SKM"), and 34 financial institutions participated in the eConfirm platform as at 31 December 2024. The launch of eConfirm Global in FYE2024 had also contributed marginally in the segment's revenue.

b) E-Commerce Business

Revenue from the E-Commerce business increased by 64.09% from RM9.83 million (FYE2023) to RM16.13 million (FYE2024). This was mainly due to increment in the B2B transactions. The E-Commerce business segment contributed LBT of RM0.04 million.

c) Financial Services Business

Revenue from the Financial Services increased by 30.25% from RM1.62 million (FYE2023) to RM2.11 million (FYE2024). The Financial Services business segment contributed PBT of RM1.02 million.

d) Investment Holding and Other Businesses

The Group is also involved in investment holding and other businesses, namely Information Technology ("IT") Security and IT training. The revenue for this segment increased from RM0.04 million (FYE2023) to RM0.11 million (FYE2024).

2) IDENTIFIED RISKS AFFECTING GROUP PERFORMANCE

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

The identified risks affecting Group performance are:

a) Credit risk

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

In FYE2024, the Group continues to adopt stringent credit control procedures. Long outstanding trade receivables, considered as high exposures to risk dependency, were monitored on a regular basis.

b) Technology obsolescence risk

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

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

2) IDENTIFIED RISKS AFFECTING GROUP PERFORMANCE (CONT'D)

c) Competition risk

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

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

d) Professional liability risk

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

3) FACTORS AFFECTING GROUP'S RESULTS

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

a) Technological Advancements or Developments

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

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

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

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

b) Dependency on Major Contracts

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

c) Cybersecurity and System Disruptions

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

3) FACTORS AFFECTING GROUP'S RESULTS (CONT'D)

d) Downturn of Other Related Industries

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

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

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

f) Impact of Global Crisis

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

- c) Collaboration agreement signing with Chamber of Auditors of Uzbekistan ("Chauz") in February 2025.

This significant progress provided a good start for the group's global business expansion plan. The management continues to explore the business opportunity in other countries and aims to develop our propriety eConfirm Global platform to become one of the major digital platforms across the financial and audit industry in the world.

In the overall IT Professional Services, according to a report from Market Research Future, the global IT Professional Services Market is projected to grow from USD 508.50 Billion in 2025 to USD 822.48 Billion by 2034, exhibiting a compound annual growth rate (CAGR) of 5.48% during the forecast period (2025 - 2034). (Source: <https://www.marketresearchfuture.com/reports/it-professional-services-market-26542>)

The report also highlighted that rising adoption of digital transformation initiatives, cloud computing and the increasing demand for cybersecurity solutions are key market drivers for IT professional services. The Group shall leverage on this trend and explore the opportunities especially the growing adoption of Artificial Intelligent ("AI") and Machine Learning ("ML"), the increasing demand for cloud services, and the emergence of new technologies like edge computing and Internet of Things ("IoT").

As such, the Group remains cautiously optimistic on the outlook of the IT Professional Services industry that we are mainly involved in. We shall continue to pursue opportunities in our existing and new business segments to make AppAsia a leading digital transformation provider in the region.

4) PROSPECTS AND OUTLOOK

Since the launch of eConfirm Global in September 2024, the Group began to expand our digital solutions globally in 2025. The management initiated some overseas discussions and managed to seal some partnerships with a few countries to develop the electronic bank confirmation solution with eConfirm solution in these countries. The followings highlight some of the Group's latest overseas development:

- a) Memorandum of Understandings ("MoU") signing with the Philippine Institute of Certified Public Accountants (PICPA) in November 2024;
- b) MoU signing with The Institute of Chartered Accountants of Pakistan (ICAP) in January 2025; and

CORPORATE SUSTAINABILITY STATEMENT



The Vision of AppAsia Berhad ("**AppAsia**" or "**the Company**") is to become a leading innovator in the digital technology sector, aligning with our current strategies to meet the evolving and fast-growing market demand. AppAsia and its subsidiaries ("**AppAsia Group**" or "**the Group**") continue to deliver cutting-edge products that drive technology processes and accelerate business growth. We are proactively advancing positive impacts on people and the planet by investing in top talent, minimising our environmental footprint, responsibly sourcing materials, and sharing our success with our communities. As a company and a responsible corporate citizen, AppAsia is adopting rapid change, continuously seeking new ways to accelerate sustainability and improve life.

Reporting Scope and Period

This Sustainability Statement ("**Statement**") presents the material sustainability matters ("**MSMs**"), performance, and progress of the AppAsia Group, covering all operational activities for the financial reporting period from 1 January 2024 to 31 December 2024 ("**FY2024**"), unless stated otherwise.

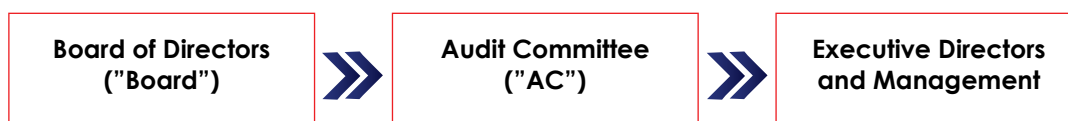
This Statement has been prepared in accordance with the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and has also considered the Sustainability Reporting Guide - 3rd Edition and its accompanying Toolkits published by Bursa.

Sustainability Assurance

The sustainability performance and related processes presented in this Statement have not undergone review by internal auditors nor external assurance by independent parties.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

GOVERNANCE STRUCTURE



The Board of Directors ("**Board**") of AppAsia Group plays a crucial role in shaping the overall strategic direction, ensuring that sustainability is considered in decision-making and long-term goals. The Group aims to develop and maintain a strong organisational culture that empowers employees to make responsible and ethical business decisions. This includes regularly reviewing and approving strategic plans while closely monitoring management's performance to align with sustainability implementation. By recognising its broader responsibility, the Board acknowledges the need to protect and reduce the impact on the environment while pursuing the Group's vision and mission.

In making key business decisions, the Board considers sustainability-related issues such as fraud, corruption and bribery, environmental impact, human rights, and health and safety. These sustainability-related matters are taken into consideration when assessing the nature and extent of material risks that AppAsia is willing to take in pursuit of its business strategies and objectives. Besides, the Board is also responsible for identifying and managing principal risks, including those related to sustainability, and establishing, reviewing, monitoring, and ensuring the implementation of effective risk management systems, policies, and processes. The Board ensures that sustainability priorities, performance, and targets are clearly communicated to stakeholders.

The Audit Committee ("**AC**") assists the Board in ensuring that the system of internal control is adequate, effectively implemented, and regularly reviewed to support adequate and effective risk management and internal control, which addresses relevant business sustainability risks, including strategic, operational, environmental, and social risks. Apart from that, the AC is responsible for overseeing the materiality assessment process and monitoring the Group's sustainability performance to ensure alignment with business objectives and regulatory requirements.

The AC is supported by the Executive Directors ("**ED**") and relevant management personnel, who are responsible for developing the Group's sustainability strategies and action plans for the Board's review and approval. The ED and Management play a key role in overseeing the effective engagement and communication with stakeholders, including sustainability matters pertaining to the Group's sustainability strategies, priorities, performance, and targets. Relevant sustainability-related risks are integrated into the Group's overall risk management process to ensure that appropriate controls and mitigation measures are in place. This approach helps ED and Management proactively address sustainability risks that could impact business operations and long-term sustainability.

During the year under review, the outcomes of the sustainability performance and materiality assessment and insights gathered from stakeholder engagements were reported to the AC and subsequently presented to the Board for review and approval.



CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDERS ENGAGEMENT

The Group maintains ongoing engagement with key stakeholders based on their material relationship to our operational success and the potential impact our operations may have on them. Through various engagement methods, the Group gathers feedback and insights on stakeholders' expectations regarding our business operations. By fostering open and transparent communication, we aim to strengthen relationships and enhance mutual understanding.

The following table summarises our key stakeholders, engagement methods and their frequency, as well as their focus areas and objectives.

Stakeholders	Forms of Engagement	Frequency	Engagement focus/ objectives
Employees	Ongoing supervisor interactions	On-going	To create a culture in which all employees contribute to our success.
	Training		
	Meetings hosted by senior leaders		
Customers	Regular meetings	On-going	To understand how we are performing from our customers' perspectives and build industry consensus on social and environmental issues.
	Complaints or feedbacks		
	Customer requirement documents		
Shareholders	Annual General Meeting	On-going	To foster transparency and ensure we are meeting the needs of our shareholders and investors.
	Quarterly financial reports		
	Announcements to Bursa Securities		
	Annual Reports and Circulars		
	Company's website		

MATERIALITY ASSESSMENT PROCESS AND SUSTAINABILITY MATRIX

A materiality assessment process is conducted periodically to identify, assess, and prioritise sustainability matters that are most relevant to the Group's business operations. Sustainability matters are considered material if they:

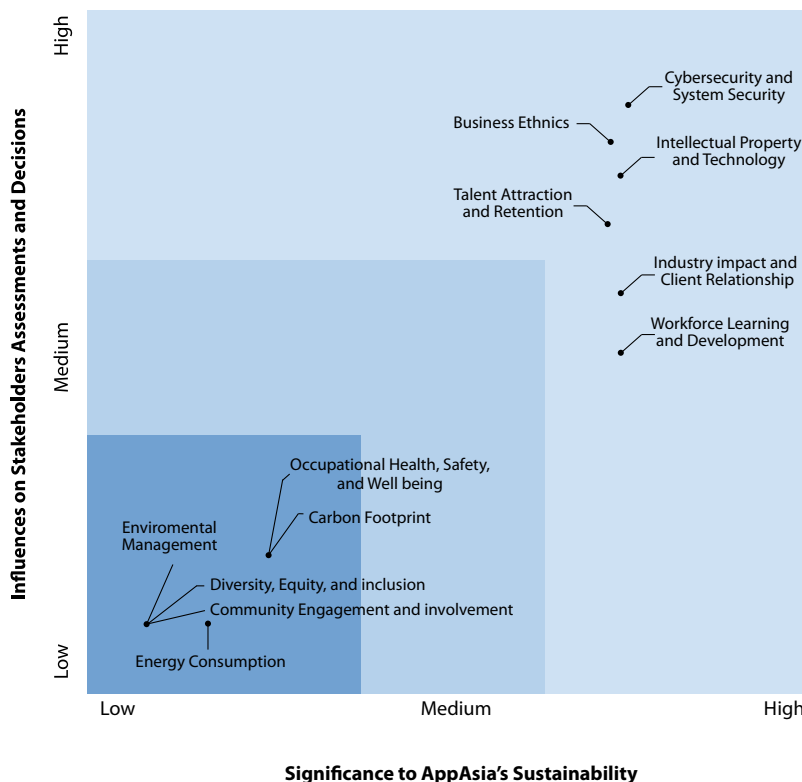
- reflect AppAsia's significant economic, environmental, and social impacts; or
- substantively influence the assessments and decisions of stakeholders.

In FY2024, the Management of AppAsia Group conducted a comprehensive materiality assessment to assess the MSMs and evaluate potential sustainability issues that may impact the Group's business operations, stakeholders, and long-term strategic direction. The existing MSM, namely "Anti-Corruption and Whistleblowing Policies" has been replaced by "Business Ethics", reflecting a broader focus on ethical business conduct and governance practices beyond compliance requirements. The newly identified MSMs, namely "Community Engagement and Involvement", "Diversity, Equity, and Inclusion", and "Environmental Management", have been incorporated to align with the regulatory requirements and trends in business focuses.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT PROCESS AND SUSTAINABILITY MATRIX (CONT'D)

The materiality matrix FY2024 is illustrated as follows.



BUSINESS ETHICS

The Board is committed to the highest level of corporate governance and transparency in the execution of policies and processes, as these are the fundamental management and operational protocols of AppAsia. In line with this commitment, AppAsia Group also emphasises ensuring that our business operations and activities comply with the relevant laws and regulations. Hence, various policies, procedures, and controls are in place to uphold legal compliance, mitigate risks, and promote ethical business practices across all aspects of our operations.

Code of Conduct and Anti-Bribery and Anti-Corruption Policy

The Code of Conduct ("**Code**") is implemented and applied to all Executive Directors, officers, and employees across all business operations and countries where we operate. This Code ensures that all business conduct upholds standards that go beyond the minimum legal requirements. All our employees are expected to act with honesty, fairness, and respect in every business transaction and when dealing with others. They must act in the best interests of AppAsia.

The Group fosters a corporate culture of integrity and upholds a zero-tolerance approach toward fraud and corruption. We are committed to complying with all anti-corruption and anti-bribery laws across our business operations. In line with this commitment, we also expect that our contractors, sub-contractors, consultants, agents, representatives, and other third parties performing work or services for or on behalf of the Group to comply with the Group's Anti-Bribery and Anti-Corruption ("**ABC**") Policy.

The ABC Policy also provides guidance on how to manage and address corruption-related matters as follows:

- Conflict of interest;
- Dealings with business associates;
- Gifts, Entertainment, Hospitality, Travel, Donation and Sponsorship; and
- Facilitation of payments.

CORPORATE SUSTAINABILITY STATEMENT

(CONT'D)

BUSINESS ETHICS (CONT'D)

Code of Conduct and Anti-Bribery and Anti-Corruption Policy (Cont'd)

In addition to implementing the Group's Code, we have established various mechanisms to proactively identify, mitigate, and manage risks related to corruption and unethical practices. As part of our commitment to integrity and ethical business practices, the Group conducts regular awareness programmes and training sessions to equip all our employees with the necessary knowledge to recognise and address corruption risks. Furthermore, the Group also provide refresher training periodically to all employees to ensure that they are aware of our ABC Policy. All new recruits are also required to undergo training on ABC Policy as part of their onboarding process.

Cybersecurity and System Security

As a provider of technology services, products, and solutions, safeguarding confidential information is essential to building and maintaining trust with our customers and stakeholders. We operate in compliance with data protection laws and standards, including the Personal Data Protection Act 2010.

With the rising frequency and complexity of cyber threats and personal data breaches, AppAsia employs a holistic and risk-based framework to protect confidential information. The Group adheres to established policies and standard operating procedures ("**SOP**") that guide secure methods for receiving, handling, and storing confidential information and data in secure storage facilities. Additionally, our Information Technology ("**IT**") department continuously monitors and enhances our infrastructure, systems, and SOPs to strengthen data protection measures.

The Group upholds a high standard of IT control and compliance by implementing a well-defined information and communication technology security policy. Moreover, the Group also developed the information security management system ("**ISMS**") framework aligned with ISO 27001 and other information security management quality standards. In addition, both System and Organisation Controls ("**SOC**") 2 and 3 have been implemented to safeguard data and information by ensuring security, availability, processing integrity, confidentiality, and privacy. SOC 2 provides a detailed evaluation of controls and processes, often used internally and shared with stakeholders requiring in-depth insights. SOC 3 provides a generalised, publicly available report

summarising adherence to the same principles, building trust with customers and stakeholders. Together, these technology supports the integrity of relevant products of the Group. In FY2024, we are pleased to report that no substantiated complaints were recorded regarding breaches of customer privacy and losses of customer data.

	FY2024 ¹
Substantiated complaints concerning breaches of customer privacy and losses of customer data (number)	0

¹ Began to collect data in FY2024.

In December 2023, the Institute of Cooperative & Management Auditors ("**ICMA**") entered into an agreement with Extol Corporation Sdn. Bhd. ("**Extol**"), a wholly owned subsidiary of AppAsia, to participate in the eConfirm electronic bank confirmation platform via a signing ceremony. The eConfirm platform is an industry-wide electronic bank confirmation platform designed to enhance the audit process for auditors and banks operating in Malaysia, in accordance with the International Standard on Auditing ("**ISA**") 505 External Confirmations.

By utilising eConfirm, audit confirmation processes become more efficient, turnaround times are shortened, fraud risks are mitigated, and the security of financial audits is significantly strengthened. The platform's automated workflow and real-time reporting capabilities enable greater transparency and efficiency in audits. In addition, eConfirm has also obtained SOC2 and SOC3 attestations, providing all organisations and users involved with confidence in its compliance with security and IT regulations.

Whistle Blowing Policy

The Whistle Blowing Policy ("**Policy**") has been established to ensure a transparent, secure, and confidential mechanism for reporting any non-compliance with the Group's Code or any form of misconduct, regardless of the individual's position within the organisation. This Policy provides a secure and anonymous channel for individuals to raise concerns about possible improprieties, safeguarding whistleblowers from any form of retaliation and reprisal. All reports made under this Policy are treated with the utmost confidentiality, and the identity of the whistleblower remains protected.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

BUSINESS ETHICS (CONT'D)

Whistle Blowing Policy (Cont'd)

For employees, concerns should be reported to their immediate supervisor or Head of Human Resources. Meanwhile, external stakeholders who have any concerns to report are encouraged to fill up a Whistle Blowing Report Form and submit it via email to the AC.

Further details on this Policy and its reporting procedures are available on our website at www.appasia.com.

RESPONSIBLE SUPPLY CHAIN

Industry Impact and Client Relationship

In an era where customers' expectations are continually evolving and industry competition is ever-growing, the Group remains focused on addressing the diverse needs and demands of its customers and constantly looks for ways to enhance the customer experience by continuously exploring opportunities to drive innovation and be ahead in the market. This proactive approach allows us to align with customers' priorities, ensuring that our solutions not only address current market demands but also contribute to achieving long-term sustainability goals. We also consider government-related regulations in our processes to ensure full compliance with all relevant legal requirements.

As we maintain strong and long-term partnerships with our customers, we place a high priority on delivering digital solutions that not only meet their expectations but also are cost-effective, innovative, and aligned with the latest trends and technological advancements in the industry.

Intellectual Property and Technology

The Group's mission is to develop digital platforms that deliver long-term values to stakeholders and communities, especially in the e-commerce, digital content, cloud and IT Security sectors with the latest internet and mobile technologies.

Central to our strategy is the value we place on Intellectual Property ("IP"), which encompasses the knowledge we create, acquire, and reposition for practical application. IP is a key driver of our competitive advantage, enabling us to thrive in the fast-evolving and competitive IT industry.

We launched the eConfirm platform which enhances the audit process for auditors and banks.

The patent for eConfirm is held by the Group, and this ownership also enables us to continuously improve and adapt the platform to meet evolving industry needs, while safeguarding its IP.

In 2024, AppAsia Group has been granted recognition in respect of innovation, with the title "A Method Of Obtaining an Electronic Confirmation".

By embracing and harnessing technology, the Group continually enhances its business performance, securing a competitive edge while safeguarding against potential disruptions. Through these efforts, we ensure that we stay ahead of industry trends, positioning ourselves as an innovative player in the digital technology sector.

ENVIRONMENTAL MANAGEMENT

Energy and Carbon Footprint Management

The Group recognises that the efficient use of resources is fundamental to achieving sustained economic growth. To this end, AppAsia Group has adopted a structured approach to integrating resource efficiency practices into our operations.

One of our key initiatives focuses on energy efficiency, where we have implemented measures to reduce electricity consumption. Employees are regularly reminded to switch off office lights and air conditioners when not in use, minimising unnecessary energy wastage.

As a company operating in the IT sector, we promote digital solutions to support the transition towards a more sustainable 'paperless' environment that contributes to a lower-carbon future.

In addition, our industry-wide electronic bank confirmation platform, eConfirm.my, promotes the audit process by enabling electronic confirmations between auditors and banks. This digital solution eliminates the need for courier confirmation letters between banks and auditors, reducing postage costs, minimising paper usage, and preventing unnecessary waste from lost parcels. The e-media digital platforms also encourage the use of mobile applications for accessing the latest news, thereby decreasing reliance on printed newspapers and further supporting paper conservation efforts.

Besides, our transition to cloud-based information management and moving away from on-site physical servers plays a crucial role in optimising energy consumption as well as cost management for the Group. We also adopt hybrid working arrangements for some eligible employees which help to lower energy costs and reduced associated emissions.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL MANAGEMENT (CONT'D)

Energy and Carbon Footprint Management (Cont'd)

Energy Consumption

In FY2024, the Group's total energy consumption was 225.64 MWh. This year, we also included the petrol used in vehicles owned by the Group, which increased the Group's reported energy consumption.

	FY2022	FY2023	FY2024
Petrol consumed (MWh) ²	NA	NA	152.82
Electricity purchased (MWh)	70.16	88.29	72.82
Total energy consumption (MWh)	70.16	88.29	225.64

Waste and Water Management

Water management and waste management are not currently the most important issues to our business operations and have minimal impact on our day-to-day activities. However, we are taking initial steps to address these aspects by implementing basic controls and raising awareness. These controls include encouraging our employees to communicate with waste contractors to ensure that how they manage the waste and that proper waste handling processes are followed. In AppAsia, the old devices are disposed of by a licensed e-waste management company, ensuring that the waste is handled in an environmentally responsible manner, and in compliance with local laws and regulations. Moreover, designated waste collection areas have been established to streamline waste segregation and disposal, making it easier to manage. E-waste is not significant for us as we operate as digital platform providers and generate minimal e-waste.

Regarding water usage, our consumption is limited to domestic purposes in our offices. For the financial year 2024, the Group's total water usage was recorded at 0.33 megalitres ("ML").

	FY2024 ³
Water used (ML)	0.33

² Began to collect petrol consumed in FY2024.

³ Began to collect water used in FY2024

SOCIAL SUSTAINABILITY AND WORKFORCE EMPOWERMENT

Diversity, Equity, and Inclusion

The Company is committed to fostering and managing diversity, recognising that talents and skills do not discriminate against age, gender, ethnicity, nationality, cultural background, and other personal characteristics. This commitment is aligned with the Group's Diversity Policy, which aims to promote inclusion across both the Board and the broader workforce. This policy ensures that all individuals, regardless of their age, gender, ethnicity, cultural background, or other personal factors, are given equal consideration during recruitment, provided they possess the necessary experience and qualifications.

AppAsia Group deeply acknowledges the critical role our employees play in driving the success of our business, as they are invaluable assets in achieving our organisational goals. The Group's approach to human capital management policies and practices is guided by our Code, as well as adherence to applicable local laws and regulations.

In alignment with the Group's Diversity Policy, we are committed to fostering workplace diversity. This means creating an environment where differences are not only valued and respected but also celebrated. We strive to ensure that our workplace is fair, accessible, flexible and inclusive, and we take a zero-tolerance stance against any form of discrimination.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL SUSTAINABILITY AND WORKFORCE EMPOWERMENT (CONT'D)

Diversity, Equity, and Inclusion (Cont'd)

In addition, we strictly prohibit child labour and forced labour, ensuring that working hours do not exceed legal limits, ensuring minimum wage standards, and providing employees with their entitled leaves and benefits. By adhering to these principles, we ensure that the Group creates a work environment that supports the well-being and respects the human rights of our employees.

Talent Attraction and Retention

By promoting an inclusive culture, it enhances our ability to attract a wide range of talented individuals who seek an organisation that prioritises fairness and inclusivity. In this regard, the Group focuses on attracting, retaining, and developing a diverse team of skilled individuals without discrimination.

We are committed to providing equal recruitment and employment opportunities to all employees and candidates. Our Diversity Policy explicitly prohibits discrimination based on race, colour, gender, sexual orientation, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, marital, or social status. Additionally, we also ensure that the remuneration levels of the officers and employees are set fairly and without bias.

Workforce Learning and Development

Due to the nature of our business, we recognised the importance of skilled personnel within our business operations. To ensure that our employees are equipped with the necessary knowledge and expertise to make meaningful and effective contributions to the Group's performance, we provide them with appropriate training and development opportunities. The Group supports the growth of our employees by addressing their training and development needs.

In addition to on-the-job exposure, we also offer a variety of opportunities, including job rotation, mentoring, and coaching, to help our employees reach their full potential and develop a well-rounded skill set. The training provided to our employees includes but is not limited to, the following:

- Developing a Transfer Pricing Policy for Intra-Group Services - Key Factors to Consider;
- Preparation for e-Invoicing Implementation - What You Should Do;
- Sharpening Your Core Leadership Competencies;
- The Importance of Considering the 'Code of Ethics' when Exercising Judgement in Financial Reporting;
- TaxPOD Masterclass 3.1;
- Sharpening Practical Accounting Skills to Handle Full Set of Accounts;
- Mastering E-Invoicing;
- Patent 2 Profit;
- Run & Gun: Network Penetration Testing; and
- A Review of All Amendments and New Legislations Related to Malaysia's Employment Laws.

Occupational Health, Safety, and Well-being

AppAsia believes that maintaining good health and safety standards and performance not only boosts employee morale but also enhances our organisational reputation. At AppAsia, our safety vision is clear and we aim to create an incident-free workplace where all employees feel secure and valued.

To install and uphold high standards of occupational safety and health, we conduct regular training across all our operational sites. These training are designed to equip employees with the knowledge and skills necessary to maintain a safe working environment. We organise fire drills and emergency preparedness training throughout the year to ensure that our employees are well-prepared to handle any unforeseen situations.

Beyond training and oversight, we are also ensuring that our business operations adhere to preventative measures. This includes the regular maintenance and upkeep of equipment to ensure it operates safely, the mandatory use of personal protective equipment to minimise risks, and the identification and elimination of potential hazards at all our sites.

- Mandatory Accreditation Programme Part II: Leading for Impact ("LIP");
- Latest Guide on SST Changes on Taxable Service, Tax Rate and Transitional Period;
- Taxation of Employment Income – The Law and Practice Based on Public Rulings;

CORPORATE SUSTAINABILITY STATEMENT

(CONT'D)

SOCIAL SUSTAINABILITY AND WORKFORCE EMPOWERMENT (CONT'D)

Community Engagement and Involvement

The Group is supporting the community by addressing local needs, assisting those in need, and promoting sustainable growth. In FY2024, we donated sports jerseys worth RM1,950 to the students and clothing items worth RM6,100 to a local charity. These contributions aim to support the students in their athletic endeavours and provide essential clothing to those in need within the community.

	FY2024 ⁴
Total amount invested in the community where the target beneficiaries are external to AppAsia Group (RM)	8,050

⁴ Began to collect data in FY2024.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

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

This statement is prepared in compliance with ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and it is meant to be read together with the Corporate Governance Statement and Corporate Governance Report. The Corporate Governance Report provides details on how the Company has applied each practice as set out in the MCCG for the financial year ended 31 December 2024 ("**FYE2024**"), a copy of which is available on the Company's website at www.appasia.com.

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

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

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board has considered and discussed a wide range of matters during the FYE2024, including strategic decisions and reviewing of risk associated matters in the business. The Board is aware that decisions made for the business of the Group would affect a broad range of our stakeholders. While the Board seeks to ensure that the decisions were taken in a way that was fair and consistent with the Group's values, the Board also recognised the importance of balancing these with the need to support the long-term future of the business.

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

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

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

II. BOARD COMPOSITION

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

The Board comprises of nine (9) directors, six (6) of whom are Non-Executive Directors. In terms of gender diversity, two (2) Directors out of the nine (9) Board members are female Directors.

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

III. REMUNERATION

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

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

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

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

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

- a) Human Resource
 - Recruitment
 - Performance appraisal
 - Succession planning and training
 - Payroll processing
 - Standard operating procedures and Employee Handbook
 - Resignation and termination

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. COMMUNICATION WITH STAKEHOLDERS

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

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

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

II. CONDUCT OF GENERAL MEETINGS

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

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

PRELUDE

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

CORPORATE GOVERNANCE STATEMENT

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

1. Board of Directors'

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

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

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

I. Board Responsibilities (Cont'd)

1. Board of Directors' (Cont'd)

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

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

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

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

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

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

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

2. Separation of position of the Chairman and Executive Directors

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

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

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

1. Board Responsibilities (Cont'd)

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

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

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

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

3. Supply of and Access to Information

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

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

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

4. Commitment of the Board

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

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

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

I. Board Responsibilities (Cont'd)

4. Commitment of the Board (Cont'd)

The Board met five (5) times during the financial year ended 31 December 2024 ("FYE2024"). The attendance of each Director at the Board Meetings held during FYE2024 are as follow:

Directors	Number of meetings attended	%
Datuk Seri Rahadian Mahmud bin Mohammad Khalil	4/5	80%
Toh Hong Chye	5/5	100%
Wong Ngai Peow	5/5	100%
Yong Mai Fang	5/5	100%
Tiew Chee Ming	5/5	100%
Yeong Siew Lee	4/5	80%
George Tan Kan Chin ^[1]	1/1	100%
Huan Soo Wai ^[2]	1/1	100%
Tan Chiau Wei ^[3]	N/A	N/A

Notes:

^[1] Appointed as Non-Independent Non-Executive Director on 21 August 2024.

^[2] Appointed as Independent Non-Executive Director on 21 August 2024.

^[3] Appointed as Independent Non-Executive Director on 20 December 2024. No meetings were held since his appointment.

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

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

5. Continuous Development of the Board

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

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

The list of training programmes attended by the Directors during the FYE2024 under review are as follows:

- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
- Latest Guide on SST Changes on Taxable Service, Tax Rate and Transitional Period
- Latest Guide on SST Changes on Taxable Service, Tax Rate and Transitional Period
- Developing a Transfer Pricing Policy for Intra-Group Services - Key Factors to Consider
- Preparation for e-Invoicing Implementation - What You Should Do
- TaxPOD Masterclass 3.1
- Developing a Transfer Pricing Policy for Intra-Group Services - Key Factors to Consider
- Mastering E-Invoicing
- Patent 2 Profit
- A Review of All Amendments and New Legislations Related to Malaysia's Employment Laws

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

I. Board Responsibilities (Cont'd)

6. Board Committees

AC

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

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

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

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

The activities undertaken by the AC during FYE2024 are spelt out in the AC Report within this Annual Report.

NC

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

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

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

During the FYE2024, the NC held one (1) meeting. Below is the summary of the key activities undertaken by the NC in discharge of its duty:

- (a) Reviewed the composition of the Board and Board Committees with regards to the mix of skills, independence and diversity in accordance with its policy;
- (b) Determined the Directors who stand for re-election by rotation and assessed their fitness and propriety based on the Directors' Fit and Proper Policy;
- (c) Assessed the effectiveness and performance of the Board as a whole and the contribution of each individual Director. This was carried out through a self-assessment document that was completed by each Director. The assessment criteria include the following:
 - Board composition
 - Board process
 - Performance of Board Committees
 - Information provided to the Board
 - Role of the Board in strategy and planning
 - Risk management framework
 - Accountability and standard of conduct of Directors
- (d) Reviewed the terms of office of the AC and each member of the AC to ascertain that the AC and its member have carried out their duties in accordance with the AC's Terms of Reference;
- (e) Assessed and reviewed the independence and continuing independence of the Independent Directors;
- (f) Reviewed and recommended to the Board the appointment of the new Independent Non-Executive Directors and Non-Independent Non-Executive Director; and
- (g) Reviewed the Terms of Reference of the NC, Diversity Policy and Directors' Fit and Proper Policy.

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

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

1. Board Responsibilities (Cont'd)

6. Board Committees (Cont'd)

RC

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

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

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

During the FYE2024, the RC held one (1) meeting. Below is the summary of the key activities undertaken by the RC in discharge of its duty:

- Reviewed, assessed and recommended the remuneration packages of the Executive Directors and Senior Management;
- Reviewed and recommended the payment of Directors' fees and other benefits payable to the Non-Executive Directors;
- Reviewed the Terms of Reference of the RC;
- Reviewed the Directors and Senior Management Remuneration Policy;
- Reviewed, assessed and recommended the proposed bonus for the financial year ended 31 December 2024 and revision of remuneration package of Directors and Senior Management; and
- Reviewed the remuneration packages for the newly appointed Directors.

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

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

SIS Committee

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

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

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

7. Board Charter

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

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

1. Board Responsibilities (Cont'd)

7. Board Charter (Cont'd)

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

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

8. Code of Conduct and Code of Ethics

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

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

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

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

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

9. Whistleblowing Policy

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

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

I. Board Responsibilities (Cont'd)

9. Whistleblowing Policy (Cont'd)

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

10. Company Secretary

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

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

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

- Advising the Board on its roles and responsibilities.
- Advising the Board on matters related to corporate governance and the AMLR.
- Ensuring that Board procedures and applicable rules are observed.
- Maintaining records of the Board and ensuring effective management of the Company's statutory records.

- Preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded.
- Assisting communications between the Board and Management.
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.
- Preparing agendas and co-coordinating the preparation of Board papers.

II. Board Composition

1. Composition and Diversity

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

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

As at the date of this Statement, the Board consists of one (1) Independent Non-Executive Chairman, four (4) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Executive Directors, wherein at least half of the Board comprises Independent Directors. The composition of the Board ensures that the Independent Non-Executive Directors will be able to exercise independent judgment on the affairs of the Company.

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

II. Board Composition (Cont'd)

2. Independency of Independent Directors

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

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

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

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

- (c) He has been with the Company for more than nine (9) years and therefore understands the Company's business operations which enables him to participate actively and contribute during deliberations or discussions at Board and Committee meetings;
- (d) He remains scrupulously independent in his thinking and is effective in providing constructive challenges to the Executive Directors; and
- (e) He exercised due care during his tenure as an Independent Non-Executive Chairman and carried out his professional duties in the best interest of the Company and shareholders.

3. Appointment of Board and Senior Management

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

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

II. Board Composition (Cont'd)

4. Gender Diversity

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

As at the date of this report, the Board comprises of two (2) women Directors which is in compliance with Rule 15.02(1)(b) of AMLR, whereby a listed corporation must ensure that at least one (1) Director of the listed corporation is a woman.

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

5. Identifying Suitable Candidates

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

There were two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director appointed during the FYE2024. During the process of identifying suitable candidates, in addition to recommendation of the management and shareholder of the Company, the Board had also utilised independent search firms. The Board undertook assessment of the shortlisted candidates' independence as well as their fitness and propriety before recommend to the Board for the above appointment.

6. Chairperson of the NC

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

7. Annual Evaluation

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

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

II. Board Composition (Cont'd)

7. Annual Evaluation (Cont'd)

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

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

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

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

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

III. Remuneration

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

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

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

III. Remuneration (Cont'd)

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

The detailed disclosure on named basis for the remuneration of individual Directors that includes fees, salary, bonus, benefits in-kind and other emoluments from the Company and the Group for the FYE2024 are set out in the Corporate Governance Report. While the details of the remuneration of the senior management on an aggregate basis in bands of RM50,000 are as set out below.

Remuneration Bands	Number of Senior Management
RM1 - RM50,000	1 [#]
RM150,001 – RM200,000	1

[#] Resigned as Senior Management on 15 March 2024

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AC

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

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

The AC has adopted a Terms of Reference which sets out its goals, objectives, duties, responsibilities and criteria on the composition of the AC which includes a former key audit partner of the Group to observe a cooling-off period of at least three (3) years before being able to be appointed as a member of the AC. For the FYE2024, no former key audit partner of the Company's Auditors is appointed as a member of AC.

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

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

CORPORATE GOVERNANCE STATEMENT
(CONT'D)

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

I. AC (Cont'd)

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

The External Auditors is recommended to meet the AC without the presence of the executive Board members and management on regular basis pertaining to matters relating to the Group and its audit activities. During such meetings, the External Auditors highlight and discuss the nature and scope of the audit, audit programme, internal controls and any other issues that may require the attention of the AC or the Board. For the FYE2024, External Auditors met the AC twice without the presence of the executive Board members and management.

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

For the FYE2024, fees paid to the External Auditors, Messrs TGW TW PLT and its affiliated firms by the Company and the Group are stated in the table below:

Nature of Services	Group (RM)	Company (RM)
Audit services rendered	82,500	33,000
Non-Audit services rendered	3,000	3,000

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

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

II. Risk Management and Internal Control Framework

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

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

The Group has outsourced the internal audit function as being the most cost-effective means of implementing an internal audit function. The independent third-party service provider of the internal audit services for the FYE2024 was S F Chang Corporate Services Sdn. Bhd., which reported directly to the AC as specified in the Terms of Reference of the AC. The Internal Auditor carries out its function in accordance with the annual Internal Audit Plan approved by the AC. S F Chang Corporate Services Sdn. Bhd. has approximately three (3) audit personnel assisting the person responsible for the internal audit.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

II. Risk Management and Internal Control Framework (Cont'd)

Details on the person responsible for the internal audit are set out below:

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

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

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

I. Communication with stakeholders

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

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

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

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

II. Conduct of General Meetings

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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

II. Conduct of General Meetings (Cont'd)

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

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

AUDIT COMMITTEE'S REPORT

OBJECTIVE

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

COMPOSITION MEETING ATTENDANCE

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

During the financial year ended 31 December 2024 ("**FYE2024**"), the AC held five (5) meetings and the records of the attendance of AC members are as follow:

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

Note:

^[1] Member of the Malaysian Institute of Accountants

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

TERMS OF REFERENCE

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

SUMMARY ACTIVITIES

The activities of the AC during the FYE2024, include the following:

- Reviewed the unaudited quarterly results of the Group and the Company including the announcements pertaining thereto, before recommending to the Board for approval and release the results to Bursa Securities;
- Reviewed with External Auditors on their Audit Review Memorandum for the financial year ended 31 December 2023 ("**FYE2023**");
- Reviewed the Audited Financial Statements of the Group for the FYE2023 before recommending to the Board for approval and release of the results to Bursa Securities;
- Reviewed and discussed with the External Auditors of their audit findings inclusive of system evaluation, audit fees, issues raised, audit recommendations and management's response to these recommendations;
- Evaluated the performance of the External Auditors for FYE2023 covering areas such as caliber, quality processes, audit team, audit scope, audit communication, audit governance and independence and considered and recommended the re-appointment of the External Auditors;
- Reviewed and approved the non-audit services provided/to be provided by the External Auditors and its affiliates to ensure the provision of the non-audit services does not impair their independence or objectivity as External Auditors of the Group and the Company;
- Reviewed and assessed the adequacy of the scope and functions of the internal audit plan;
- Reviewed the internal audit reports presented and considered the findings of internal audit through the review of the internal audit reports tabled and management responses thereof;

AUDIT COMMITTEE'S REPORT (CONT'D)

SUMMARY ACTIVITIES (CONT'D)

- i. Reviewed and approved on the Internal Audit Planning Memorandum for the FYE2024 to ensure adequate scope and coverage of the activities of the Group and the Company which was prepared based on risk-based approach;
- j. Reviewed the effectiveness of the Group's system of internal control;
- k. Reviewed the proposed fees for the External Auditors and Internal Auditors in respect of their audit of the Company and the Group;
- l. Reviewed related party transactions and conflict of interest situation that may arise within the Group and/or the Company, to ensure that transactions entered into were on arm's length basis and on normal commercial terms;
- m. Reviewed the Company's compliance with the ACE Market Listing Requirements, applicable Approved Accounting Standards and other relevant legal and regulatory requirements;
- n. Reviewed the AC Report and Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report;
- o. Reviewed the Circular to shareholders in relation to Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature and Proposed Renewal of Share Buy-Back Authority for the Company to purchase its own Ordinary Shares before recommending to the Board for approval;
- p. Verified the allocation of options pursuant to the Share Issuance Scheme at the end of each financial year; and
- q. Reported to the Board on its activities and significant findings and results.

INTERNAL AUDIT FUNCTIONS

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

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

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

During FYE2024, the following activities were carried out by the Internal Auditors in discharge of its responsibilities:

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

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

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

This AC Report was approved by the Board of Directors on 25 March 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

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

RESPONSIBILITIES

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

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

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

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

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

RISK MANAGEMENT FRAMEWORK

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

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

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

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

INTERNAL CONTROL SYSTEM

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

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

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

INTERNAL CONTROL SYSTEM (CONT'D)

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

INTERNAL AUDIT FUNCTION

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

The total costs incurred in respect of the outsourced of internal audit functions for the financial year ended 31 December 2024 ("FYE2024") was RM15,000.00.

During the FYE2024, internal audit visits were carried out and the findings of the internal audit, including the recommended corrective actions, were presented directly to the AC.

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

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

CONCLUSION

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

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

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

This statement is made in accordance with a resolution of the Board of Directors dated 25 March 2025.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

The Company did not implement any fund raising exercise during the financial year ended 31 December 2024 ("FYE2024").

SHARE ISSUANCE SCHEME ("SIS")

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

A brief detail on the number of SIS options granted, exercised, forfeited and outstanding since commencement to 12 March 2025 is set out in the table below with enlarged shareholdings due to the Share Split exercise :

Since the implementation of SIS

Description	Number of Options
Granted	210,000,000
Exercised	130,830,000
Forfeited	79,170,000
Outstanding	0

Options granted under the SIS to each category of participants

Date of offer	24.03.2015		
Exercise price	RM 0.0610		
	Director	Senior Management	Remaining employees
Number of participants	7	4	54
Aggregate options granted	68,400,000	44,550,000	97,050,000
Aggregate options outstanding at the beginning of the financial year	24,900,000	0	0
Aggregate options exercised during the financial year	24,900,000	0	0
Aggregate options outstanding at the end of the financial year	0	0	0

The percentages of options applicable to Directors and senior management under the SIS during the financial year and since its commencement up to 31 December 2024

	Percentage	
Directors and Senior Management	During the financial year	Since commencement up to 31 December 2024
Aggregate maximum allocation	-	80%
Actual options granted	-	33%

ADDITIONAL COMPLIANCE INFORMATION
(CONT'D)

SHARE ISSUANCE SCHEME ("SIS") (CONT'D)

A brief detail on the number of SIS options granted, exercised, forfeited and outstanding since commencement to 12 March 2025 is set out in the table below: (Cont'd)

The details of the options offered to and exercised by the non-executive directors of the Company pursuant to the SIS in respect of the financial year ended 31 December 2024

Name of Director	Number of options granted	Number of options exercised
Datuk Seri Rahadian Mahmud Bin Mohammad Khalil	-	-
Yeong Siew Lee	-	-
Tiew Chee Ming	-	-
George Tan Kan Chin	-	-
Huan Soo Wai	-	-
Tan Chiau Wei	-	-

MATERIAL CONTRACTS

There were no material contracts entered into by the Group during FYE2024 involving the interests of the Directors and major shareholders.

CONTRACT RELATED TO LOANS

There were no material contracts relating to loans entered into by the Group during FYE2024 involving Directors and major shareholders.

RECURRENT RELATED PARTY TRANSACTIONS

Details of transactions with related parties undertaken by the Group during FYE2024 are disclosed in the audited financial statements.

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

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

The Directors are responsible to ensure that the financial statement give a true and fair view of the financial position of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements, the Directors have:

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

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 31 December 2024, appropriate accounting policies were used and applied consistently, and adopted to include new and revised Malaysian Financial Reporting Standards where applicable. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

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

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

Principal activities

The principal activities of the Company are engaged in provision of management services and investment holding. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

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

Financial results

	Group RM	Company RM
Profit for the financial year	<u>2,861,628</u>	<u>251,748</u>
Attributable to:		
Owners of the Company	2,855,891	251,748
Non-controlling interests	<u>5,737</u>	<u>-</u>
	<u>2,861,628</u>	<u>251,748</u>

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 281,756,400 and 1,216,400 new ordinary shares pursuant to the conversion of Warrants 2014/2024 (“Warrant A”) and Warrants 2021/2024 (“Warrant B”) at the exercise price of RM0.04 and RM0.135 per ordinary share respectively.

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

As at 31 December 2024, the Company held 74,587,500 treasury shares out of the total 1,444,902,960 issued ordinary shares. Further relevant details are disclosed in Note 12 to the financial statements.

Warrant reserve

The salient terms of Warrants are disclosed in Note 13(a) to the financial statements. During the financial year, the movement of the outstanding warrants is as follows:

Warrant A

Date of issue	Exercise price RM	Number of Warrant A outstanding			
		At 1.1.2024	Exercised	Lapsed	At 31.12.2024
19 November 2014	0.04	288,750,500	(281,756,400)	(6,994,100)	-

Warrant B

Date of issue	Exercise price RM	Number of Warrant B outstanding			
		At 1.1.2024	Exercised	Lapsed	At 31.12.2024
18 June 2021	0.135	106,920,742	(1,216,400)	(105,704,342)	-

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 ("SIS") Options.

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 24 to the financial statements.

As at 31 December 2024, the options offered to take up unissued ordinary shares and the exercise price are as follows:

Date of offer	Exercise price RM	Number of options over ordinary shares		
		At 1.1.2024	Exercised	At 31.12.2024
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

George Tan Kan Chin (appointed on 21 August 2024)

Huan Soo Wai (appointed on 21 August 2024)

Tan Chiau Wei (appointed on 20 December 2024)

* Director of the Company and its certain subsidiaries.

The Director who held office in the subsidiaries (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)

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries 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 subsidiaries) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2024	Acquired	Sold	At 31.12.2024
Interests in the Company				
Direct interests				
Toh Hong Chye	159,888,300	73,938,700	-	233,827,000
Wong Ngai Peow	10,213,500	-	-	10,213,500
Yong Mai Fang	21,300,000	1,000,000	-	22,300,000
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 Warrant A			
	At 1.1.2024	Acquired	Exercised	At 31.12.2024
Interests in the Company				
Direct interests				
Toh Hong Chye	12,750,000	30,000,000	(42,750,000)	-

	Number of Warrant B			
	At 1.1.2024	Exercised	Lapsed	At 31.12.2024
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 subsidiaries) 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 1.1.2024	Granted Exercised	At 31.12.2024
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 in Malaysia by virtue of his/her substantial shareholdings in Richmond Virginia Tobacco Sdn. Bhd.

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 25(b) to the financial statements.

The details of the Directors' remuneration for the financial year ended 31 December 2024 are set out below:

	Group RM	Company RM
Salaries, fees and other emoluments	2,056,742	272,742
Defined contributions plans	318,610	20,950
Employee insurance system	799	180
Social security contributions	6,982	1,572
Estimated money value of benefits-in-kind	62,700	17,400
	<u>2,445,833</u>	<u>312,844</u>

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

DIRECTORS' REPORT (CONT'D)

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 adequate allowance had been made for doubtful debts and there were no bad debts to be written off; 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.
- (b) At the date of this report, the Directors are not aware of any circumstances:
 - (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

DIRECTORS' REPORT (CONT'D)

Other statutory information (Cont'd)

(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.

Subsidiaries

The details of the subsidiaries are disclosed in Note 7 to the financial statements.

Significant event after the financial year

The significant event after the financial year is disclosed in Note 29 to the financial statements.

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 19 to the financial statements are RM85,500 and RM36,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 25 March 2025.

TOH HONG CHYE

WONG NGAI PEOW

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 67 to 132 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 2024 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 2025.

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 No.: 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 67 to 132 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 2025)

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 2024 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 67 to 132.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, 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.

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.

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

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

Report on the audit of the financial statements (Cont’d)

Key audit matters

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

Key audit matters	How we addressed the key audit matters
<p>Recoverability of trade receivables</p> <p>The Group’s trade receivables amounting to RM22,448,796, representing approximately 53% of the Group’s total assets as at 31 December 2024.</p> <p>The assessment of recoverability of receivables involved significant judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.</p>	<p>We obtained the understanding of the Group’s credit risk policy, and tested the processes used by management to assess credit exposures.</p> <p>We assessed the reasonableness of the methods and assumptions used by management in estimating the recoverable amount and expected credit loss, which include consideration of the current economic.</p> <p>We tested the accuracy and completeness of the data used by the management.</p> <p>We reviewed the adequacy of the amount of expected credit loss and inquired the management regarding the recoverability of a sample of trade receivables that are past due but not impaired accounts and review of customers’ correspondence.</p> <p>We evaluated the appropriateness and adequacy of the disclosures of expected credit loss in accordance with MFRS 9 <i>Financial Instruments</i>.</p>

There are no key audit matters in relation to the financial statements of the Company.

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

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

Report on the audit of the financial statements (Cont'd)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with 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.

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

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

Report on the audit of the financial statements (Cont'd)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

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

Report on the audit of the financial statements (Cont'd)

Auditors' responsibilities for the audit of the financial statements (Cont'd)

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on the audit of the financial statements (Cont'd)

Auditors' responsibilities for the audit of the financial statements (Cont'd)

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 2025

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	847,703	468,138	240,332	220,754
Investment properties	4	1,989,000	2,058,000	1,989,000	2,058,000
Right-of-use assets	5	168,205	452,298	-	240,427
Intangible assets	6	2,422,619	1,323,481	-	-
Investment in subsidiaries	7	-	-	14,678,402	14,403,724
Trade receivables	8	82,160	53,751	-	-
		<u>5,509,687</u>	<u>4,355,668</u>	<u>16,907,734</u>	<u>16,922,905</u>
Current assets					
Trade receivables	8	22,366,636	14,849,916	290	-
Other receivables	9	1,299,281	868,744	115,835	113,644
Amount due from subsidiaries	10	-	-	10,743,250	6,257,897
Tax recoverable		317,343	286,692	26,469	5,366
Cash and bank balances		<u>12,768,060</u>	<u>7,992,310</u>	<u>6,311,638</u>	<u>1,208,574</u>
		<u>36,751,320</u>	<u>23,997,662</u>	<u>17,197,482</u>	<u>7,585,481</u>
Total assets		<u><u>42,261,007</u></u>	<u><u>28,353,330</u></u>	<u><u>34,105,216</u></u>	<u><u>24,508,386</u></u>
EQUITY					
Share capital	11	43,537,253	32,102,783	43,537,253	32,102,783
Treasury shares	12	(10,369,286)	(10,369,286)	(10,369,286)	(10,369,286)
Reserves	13	<u>6,459,799</u>	<u>3,431,686</u>	<u>(283,847)</u>	<u>(535,595)</u>
		39,627,766	25,165,183	32,884,120	21,197,902
Non-controlling interests (“NCP”)	7	-	(286,563)	-	-
Total equity		<u><u>39,627,766</u></u>	<u><u>24,878,620</u></u>	<u><u>32,884,120</u></u>	<u><u>21,197,902</u></u>

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
LIABILITIES					
Non-current liability					
Lease liabilities	14	<u>85,212</u>	<u>66,770</u>	<u>-</u>	<u>-</u>
Current liabilities					
Lease liabilities	14	86,385	400,212	-	249,605
Trade payables	15	117,272	598,139	-	-
Other payables	16	2,342,392	2,397,309	95,272	97,847
Amount due to subsidiaries	10	-	-	1,125,824	2,963,032
Tax payable		<u>1,980</u>	<u>12,280</u>	<u>-</u>	<u>-</u>
		<u>2,548,029</u>	<u>3,407,940</u>	<u>1,221,096</u>	<u>3,310,484</u>
Total liabilities		<u>2,633,241</u>	<u>3,474,710</u>	<u>1,221,096</u>	<u>3,310,484</u>
Total equity and liabilities		<u>42,261,007</u>	<u>28,353,330</u>	<u>34,105,216</u>	<u>24,508,386</u>

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	17	30,342,650	22,776,076	1,426,616	1,512,264
Cost of sales		<u>(19,046,103)</u>	<u>(12,618,289)</u>	<u>(22,800)</u>	<u>(28,800)</u>
Gross profit		11,296,547	10,157,787	1,403,816	1,483,464
Other income		206,188	470,195	291,530	47,919
Administrative expenses		(7,471,403)	(7,898,101)	(1,699,103)	(3,035,481)
Net reversal/(loss) on impairment of financial assets		<u>6,740</u>	<u>(14,180)</u>	<u>276,233</u>	<u>(3,658,610)</u>
Profit/(Loss) from operation		4,038,072	2,715,701	272,476	(5,162,708)
Finance cost	18	<u>(15,047)</u>	<u>(37,791)</u>	<u>(5,167)</u>	<u>(23,407)</u>
Profit/(Loss) before tax	19	4,023,025	2,677,910	267,309	(5,186,115)
Taxation	20	<u>(1,161,397)</u>	<u>(786,847)</u>	<u>(15,561)</u>	<u>(33,106)</u>
Profit/(Loss) for the financial year		<u><u>2,861,628</u></u>	<u><u>1,891,063</u></u>	<u><u>251,748</u></u>	<u><u>(5,219,221)</u></u>

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Other comprehensive income					
<u>Items that will not be reclassified to profit or loss</u>					
Changes in fair value of digital assets at fair value through other comprehensive income		468,048	322,236	-	-
Total comprehensive income/(loss) for the financial year		<u>3,329,676</u>	<u>2,213,299</u>	<u>251,748</u>	<u>(5,219,221)</u>
Profit/(Loss) for the financial year attributable to:					
Owners of the Company		2,855,891	1,942,491	251,748	(5,219,221)
NCI		<u>5,737</u>	<u>(51,428)</u>	<u>-</u>	<u>-</u>
		<u>2,861,628</u>	<u>1,891,063</u>	<u>251,748</u>	<u>(5,219,221)</u>
Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the Company		3,323,939	2,264,727	251,748	(5,219,221)
NCI		<u>5,737</u>	<u>(51,428)</u>	<u>-</u>	<u>-</u>
		<u>3,329,676</u>	<u>2,213,299</u>	<u>251,748</u>	<u>(5,219,221)</u>
Earnings per share (sen):					
Basic earnings per share	21(a)	<u>0.24</u>	<u>0.18</u>		
Diluted earnings per share	21(b)	<u>0.24</u>	<u>0.15</u>		

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Note	Attributable to the owners of the Company									
		Non-distributable					Distributable				
		Share capital RM	Treasury shares RM	Warrant reserve RM	Other reserve RM	Share issuance options reserve RM	Fair value reserve RM	Retained earnings RM	Total RM	NCI RM	Total equity RM
At 1 January 2024		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
Profit for the financial year		-	-	-	-	-	-	2,855,891	2,855,891	5,737	2,861,628
Other comprehensive income for the financial year		-	-	-	-	-	468,048	-	468,048	-	468,048
Total comprehensive income for the financial year		-	-	-	-	-	468,048	2,855,891	3,323,939	5,737	3,329,676
Transactions with owners:											
Conversion of warrants	11	11,434,470	-	(14,181,729)	14,181,729	-	-	-	11,434,470	-	11,434,470
Warrants lapsed	13(a)	-	-	(352,733)	352,733	-	-	-	-	-	-
Acquisition of shares from NCI in a subsidiary	7	-	-	-	-	-	-	(295,826)	(295,826)	280,826	(15,000)
Total transactions with owners		11,434,470	-	(14,534,462)	14,534,462	-	-	(295,826)	11,138,644	280,826	11,419,470
At 31 December 2024		43,537,253	(10,369,286)	-	-	600,090	790,284	5,069,425	39,627,766	-	39,627,766

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

Group (Cont'd)	Note	Attributable to the owners of the Company									
		Non-distributable					Distributable				
		Share capital RM	Treasury shares RM	Warrant reserve RM	Other reserve RM	Share issuance options reserve RM	Fair value reserve RM	Retained earnings RM	Total RM	NCI 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/(Loss) for the financial year		-	-	-	-	-	-	1,942,491	1,942,491	(51,428)	1,891,063
Other comprehensive income for the financial year		-	-	-	-	-	322,236	-	322,236	-	322,236
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	11	1,370,112	-	(1,724,057)	1,724,057	-	-	-	1,370,112	-	1,370,112
Shares repurchased	12	-	(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 2024 (CONT'D)

Attributable to the owners of the Company								
Company	Note	Non-distributable				Distributable		
		Share capital RM	Treasury shares RM	Warrant reserve RM	Other reserve RM	Share issuance	(Accumulated	
						scheme options reserve RM	losses)/ Retained earnings RM	
At 1 January 2024		32,102,783	(10,369,286)	14,534,462	(14,534,462)	600,090	(1,135,685)	21,197,902
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	-	251,748	251,748
Transactions with owners:								
Conversion of warrants	11	11,434,470	-	(14,181,729)	14,181,729	-	-	11,434,470
Warrants lapsed	13(a)	-	-	(352,733)	352,733	-	-	-
Total transactions with owners		11,434,470	-	(14,534,462)	14,534,462	-	-	11,434,470
At 31 December 2024		43,537,253	(10,369,286)	-	-	600,090	(883,937)	32,884,120

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	Attributable to the owners of the Company							
		Non-distributable				Distributable		
		Share capital RM	Treasury shares RM	Warrant reserve RM	Other reserve RM	Share issuance scheme options reserve RM	(Accumulated losses)/ Retained earnings RM	Total equity RM
Company (Cont'd)	Note							
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	11	1,370,112	-	(1,724,057)	1,724,057	-	-	1,370,112
Shares repurchased	12	-	(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

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash flows from operating activities				
Profit/(Loss) before tax	4,023,025	2,677,910	267,309	(5,186,115)
Adjustments for:				
Amortisation of intangible assets	470,899	603,344	-	-
Allowance for expected credit lossess on:				
- amount due from subsidiaries	-	-	-	3,658,610
- trade receivables	572	19,048	-	-
- other receivables	-	194	-	-
Impairment losses on:				
- investment in subsidiaries	-	-	25,574	1,410,346
- investment properties	19,891	24,403	19,891	24,403
Depreciation of:				
- investment properties	49,109	49,597	49,109	49,597
- property, plant and equipment	250,573	239,084	60,201	55,245
- right-of-use assets	359,050	399,435	240,427	235,896
Deposit forfeited	-	3,200	-	-
Loss/(Gain) on disposal of:				
- property, plant and equipment	4,657	(47,823)	(3,599)	(46,000)
- digital assets	(100,926)	(143,701)	-	-
Gain on early termination of lease contract	(1,523)	-	-	-
Interest expenses	15,047	37,791	5,167	23,407
Interest income	(97,674)	(82,770)	(19,026)	(6,264)
Property, plant and equipment written off	654	6,400	-	-
Reversal of allowance for expected credit lossess on:				
- trade receivables	(7,312)	(5,062)	-	-
- amount due from subsidiaries	-	-	(276,233)	-
Reversal of impairment losses on:				
- digital assets	-	(80,864)	-	-
- investment in subsidiaries	-	-	(285,252)	-
Reclassification of property, plant and equipment	-	13,500	-	-
Unrealised gain on foreign exchange	(2,660)	-	-	-
Operating profit before working capital changes	<u>4,983,382</u>	<u>3,713,686</u>	<u>83,568</u>	<u>219,125</u>

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash flows from operating activities (Cont'd)				
Operating profit before working capital changes (Cont'd)	4,983,382	3,713,686	83,568	219,125
Changes in working capital:				
Receivables	(7,930,787)	2,476,513	(2,481)	3,136
Payables	(535,784)	(463,976)	(2,575)	4,084
Subsidiaries	-	-	405,916	(1,415,863)
Cash (used in)/generated from operations	(3,483,189)	5,726,223	484,428	(1,189,518)
Tax paid	(1,202,348)	(969,848)	(36,664)	(34,296)
Tax refunded	-	5,017	-	-
Net cash (used in)/from operating activities	(4,685,537)	4,761,392	447,764	(1,223,814)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(664,857)	(326,234)	(79,780)	(256,916)
Acquisition of shares from NCI in a subsidiary	(15,000)	-	(15,000)	-
Acquisition of digital assets	(1,301,661)	(97)	-	-
Interest received	59,518	82,770	19,026	6,264
Proceeds from disposal of property, plant and equipment	29,408	178,042	3,600	130,000
Proceeds from disposal of digital assets	300,598	441,862	-	-
(Advance to)/Repayment from subsidiaries	-	-	(4,615,036)	2,030,899
Net cash (used in)/from investing activities	(1,591,994)	376,343	(4,687,190)	1,910,247

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from financing activities					
Interest paid		(15,047)	(37,791)	(5,167)	(23,407)
Proceeds from conversion of warrants		11,434,470	1,370,112	11,434,470	1,370,112
Repayment of lease liabilities	A	(368,819)	(393,358)	(249,605)	(231,365)
Purchase of treasury shares		-	(2,802,640)	-	(2,802,640)
(Repayment to)/Advance from subsidiaries		-	-	(1,837,208)	1,763,885
Net cash from/(used in) financing activities		<u>11,050,604</u>	<u>(1,863,677)</u>	<u>9,342,490</u>	<u>76,585</u>
Net increase in cash and cash equivalents		4,773,073	3,274,058	5,103,064	763,018
Effects of foreign exchange translation		2,677	-	-	-
Cash and cash equivalents at the beginning of the financial year		<u>7,992,310</u>	<u>4,718,252</u>	<u>1,208,574</u>	<u>445,556</u>
Cash and cash equivalents at the end of the financial year		<u><u>12,768,060</u></u>	<u><u>7,992,310</u></u>	<u><u>6,311,638</u></u>	<u><u>1,208,574</u></u>
Cash and cash equivalents at the the end of the financial year comprises:					
Cash and bank balances		<u><u>12,768,060</u></u>	<u><u>7,992,310</u></u>	<u><u>6,311,638</u></u>	<u><u>1,208,574</u></u>

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

NOTE TO THE STATEMENTS OF CASH FLOWS

		Group		Company	
		2024	2023	2024	2023
Note		RM	RM	RM	RM
A. Cash outflows for lease as a lessee					
<u>Included in net cash (used in)/</u>					
<u>from operating activities</u>					
Payment relating to short-term leases	19	-	790	-	-
Payment relating to low-value asset	19	4,570	6,000	-	-
		<u>4,570</u>	<u>6,790</u>	<u>-</u>	<u>-</u>
<u>Included in net cash from/(used in)</u>					
<u>financing activities</u>					
Repayment of lease liabilities		368,819	393,358	249,605	231,365
Payment on interest of lease liabilities	18	15,047	37,791	5,167	23,407
		<u>383,866</u>	<u>431,149</u>	<u>254,772</u>	<u>254,772</u>
		<u>388,436</u>	<u>437,939</u>	<u>254,772</u>	<u>254,772</u>

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

1. Corporate information

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

The registered office 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 are engaged in provision of management services and investment holding. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statement.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries 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 material accounting policy information in the respective notes.

The Group and the Company have consistently applied the accounting policies throughout all periods presented in the financial statements unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

2. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

(i) Adoption of new and amended standards

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

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

(ii) Standards issued but not yet effective

The Group and the Company have not applied the following new and 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 <u>after</u>
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements - Volume 11	Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

2. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

(ii) Standards issued but not yet effective (Cont'd)

The Group and the Company have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company: (Cont'd)

		Effective dates for financial periods beginning on or <u>after</u>
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
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 new and amendments to MFRSs when they become effective.

The initial application of the above-mentioned new and 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.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company'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.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

2. Basis of preparation (Cont'd)

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

Judgements

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

Digital assets

The Group has considered its position on the accounting for digital assets for the financial year and has determined that the Group's digital assets fall into 2 categories:

- (i) Inventory method (historical method used by the Group); and
- (ii) Intangible asset method (the method noted by the International Accounting Standard Board ("IASB") in its most recent deliberations).

The Group notes that under the 2 methods noted above, the treatment continues to be to measure digital assets at fair value (unless otherwise disclosed and provided certain conditions are met) under the respective accounting standards.

Satisfaction of performance obligations in relation to contracts with customers

The Group and the Company are 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.

The Group and the Company recognise revenue over time in the following circumstances:

- (a) The customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company performs;
- (b) The Group and the Company do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to date; and
- (c) The Group's the Company'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 and the Company assesses each contract with customers to determine when the performance obligation of the Group and the Company under the contract is satisfied.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

2. Basis of preparation (Cont'd)

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

Judgements (Cont'd)

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

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

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

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

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 of property, plant and equipment, investment properties and right-of-use ("ROU") assets

The Group and the Company regularly review the estimated useful lives of property, plant and equipment, investment properties and ROU assets 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 assets would increase the recorded depreciation and decrease the value of property, plant and equipment, investment properties and ROU assets. The carrying amount at the reporting date for property, plant and equipment, investment properties and ROU assets are disclosed in Notes 3, 4 and 5 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (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 6 to the financial statements. 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 6 to the financial statements.

Fair value of digital assets

Digital assets (including Bitcoin, Ethereum and Solana inventory) are measured at fair value using the quoted price in United State Dollar ("USD") from a number of different sources at closing Coordinated Universal Time. The Group considers this fair value to be a Level 1 input under the MFRS 13 *Fair Value Measurement* fair value hierarchy as the price on the quoted price (unadjusted) in an active market for identical assets.

The Group uses a number of exchanges in order to provide the Group with appropriated size and liquidity to provide reliable evidence of fair value for the size and volume of transactions that are reasonably contemplated by the Group.

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, secure chat messaging system, mobile application, digital contents, e-commerce and the information technology security 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 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

2. Basis of preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

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 6 to the financial statements.

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 unrecognised deferred tax assets are disclosed in Note 20 to the financial statements.

Determination of transaction prices

The Group and the Company are required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group and the Company assess 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 and the Company review the recoverability of their receivables and amount due from subsidiaries 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 and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company'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 8, 9 and 10 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (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 and the Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the 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 Note 24 to the financial statements.

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 and the Company recognise 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 2024, the Group has tax recoverable and payable of RM317,343 (2023: 286,692) and RM1,980 (2023: RM12,280) respectively and the Company has tax recoverable of RM26,469 (2023: RM5,366).

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

3. Property, plant and equipment

Group	Furniture and fittings RM	Office equipment RM	Computers RM	Camera equipment RM	Motor vehicles RM	Renovation RM	Total RM
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
Additions	72,250	15,600	7,080	-	536,845	33,082	664,857
Disposals	(26,100)	(3,900)	(2,499)	(85,898)	-	-	(118,397)
Written off	-	(2,150)	(29,556)	-	-	(47,100)	(78,806)
At 31 December 2024	216,459	125,668	562,988	-	1,046,856	838,123	2,790,094
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
Charge for the financial year	10,005	5,183	46,210	5,268	182,529	1,378	250,573
Disposals	(26,099)	(2,795)	(2,498)	(52,940)	-	-	(84,332)
Written off	-	(1,505)	(29,548)	-	-	(47,099)	(78,152)
At 31 December 2024	147,675	108,510	542,761	-	337,031	806,414	1,942,391
Carrying amount							
At 31 December 2024	68,784	17,158	20,227	-	709,825	31,709	847,703
At 31 December 2023	6,540	8,491	59,366	38,226	355,509	6	468,138

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

3. Property, plant and equipment (Cont'd)

	Furniture and fittings RM	Office equipment RM	Computers RM	Motor vehicles RM	Renovation RM	Total RM
Company Cost						
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
Additions	68,500	4,200	7,080	-	-	79,780
Disposals	(26,100)	-	-	-	-	(26,100)
At 31 December 2024	169,229	100,257	279,592	250,011	631,617	1,430,706
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
Charge for the financial year	3,425	1,484	5,290	50,002	-	60,201
Disposals	(26,099)	-	-	-	-	(26,099)
At 31 December 2024	104,135	96,356	270,765	87,504	631,614	1,190,374
Carrying amount						
At 31 December 2024	65,094	3,901	8,827	162,507	3	240,332
At 31 December 2023	20	1,185	7,037	212,509	3	220,754

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

3. Property, plant and equipment (Cont'd)

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

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%

4. Investment properties

	Freehold lands and buildings RM
Group and Company	
Cost	
At 1 January 2023/31 December 2023/31 December 2024	<u>2,500,000</u>
Accumulated depreciation	
At 1 January 2023	347,833
Charge for the financial year	<u>49,597</u>
At 31 December 2023	397,430
Charge for the financial year	<u>49,109</u>
At 31 December 2024	<u>446,539</u>
Accumulated impairment losses	
At 1 January 2023	20,167
Impairment losses recognised	<u>24,403</u>
At 31 December 2023	44,570
Impairment losses recognised	<u>19,891</u>
At 31 December 2024	<u>64,461</u>
Carrying amount	
At 31 December 2024	<u>1,989,000</u>
At 31 December 2023	<u>2,058,000</u>
Fair value	
At 31 December 2024	<u>2,010,000</u>
At 31 December 2023	<u>2,100,000</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

4. Investment properties (Cont'd)

(a) Material accounting policy information

Investment properties 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.

Investment properties are depreciated based on estimated useful lives are as follows:

Freehold lands and buildings	2%
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The freehold lands of the Group and of the Company were not separable from its freehold buildings and hence, depreciation was charged at the aggregate amount of freehold land and buildings.

(b) Fair value measurement

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 RM19,891 (2023: RM24,403) has been recognised in the profit or loss during the financial year.

(c) Income and expenses recognised in profit or loss

	Group and Company	
	2024	2023
	RM	RM
Rental income	52,800	-
Direct operating expenses	<u>(5,960)</u>	<u>(5,960)</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

5. Right-of-use assets

	Office buildings RM
Group	
Cost	
At 1 January 2023	866,838
Additions	451,598
Early termination of lease contract	(36,676)
Expiration of lease contract	(118,191)
At 31 December 2023	<u>1,163,569</u>
Additions	169,702
Early termination of lease contract	(290,329)
Expiration of lease contract	(812,456)
At 31 December 2024	<u>230,486</u>
Accumulated depreciation	
At 1 January 2023	458,608
Charge for the financial year	399,435
Early termination of lease contract	(28,581)
Expiration of lease contract	(118,191)
At 31 December 2023	<u>711,271</u>
Charge for the financial year	359,050
Early termination of lease contract	(195,584)
Expiration of lease contract	(812,456)
At 31 December 2024	<u>62,281</u>
Carrying amount	
At 31 December 2024	<u>168,205</u>
At 31 December 2023	<u>452,298</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

5. Right-of-use assets (Cont'd)

	Office buildings RM
Company	
Cost	
At 1 January 2023	489,916
Additions	231,365
At 31 December 2023	<u>721,281</u>
Expiration of lease contract	<u>(721,281)</u>
At 31 December 2024	<u>-</u>
Accumulated depreciation	
At 1 January 2023	244,958
Charge for the financial year	235,896
At 31 December 2023	<u>480,854</u>
Charge for the financial year	240,427
Expiration of lease contract	<u>(721,281)</u>
At 31 December 2024	<u>-</u>
Carrying amount	
At 31 December 2024	<u>-</u>
At 31 December 2023	<u><u>240,427</u></u>

The ROU assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The ROU assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful lives of the ROU assets or the end of the lease term.

The estimated useful lives of the ROU assets are as follows:

Office buildings	Over the remaining lease period
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NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

6. Intangible assets

	← At cost →		At fair value	
	Development expenditures RM	Licence RM	Digital assets RM	Total RM
Group				
Cost or fair value				
At 1 January 2023	4,652,916	522,110	615,254	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	522,110	639,426	5,814,452
Additions	-	-	1,301,661	1,301,661
Disposals	-	-	(199,672)	(199,672)
Increase resulting from fair value changes	-	-	468,048	468,048
At 31 December 2024	4,652,916	522,110	2,209,463	7,384,489
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
Charge for the financial year	470,899	-	-	470,899
At 31 December 2024	4,439,760	522,110	-	4,961,870
Accumulated impairment losses				
At 1 January 2023	-	-	80,864	80,864
Reversal on impairment losses recognised	-	-	(80,864)	(80,864)
At 31 December 2023/ 31 December 2024	-	-	-	-
Carrying amount				
At 31 December 2024	213,156	-	2,209,463	2,422,619
At 31 December 2023	684,055	-	639,426	1,323,481

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

6. Intangible assets (Cont'd)

(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 5 years.

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

- (i) The anticipated average annual revenue growth rates used in the cash flows budgets and plans of CGU at 6% per annum from years 2025 to 2029.
- (ii) Profit margins were projected based on pre-determined profit margin for the products.
- (iii) A pre-tax discount rate of 7% (2023: 7%) per annum 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 2024.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

6. Intangible assets (Cont'd)

(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.

(d) Material accounting policy information

License and development expenditures with finite useful lives 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.

Digital assets with indefinite useful lives are carried at revalued amount, being its fair value less any subsequent accumulated impairment losses. For the purpose of revaluations, fair value shall be measured by reference to an active market. Revaluations shall be made with such regularity that at the end of the reporting period the carrying amount of the asset does not differ materially from its fair value.

7. Investment in subsidiaries

	Company	
	2024	2023
	RM	RM
At cost		
In Malaysia:		
Unquoted shares	18,556,500	18,541,500
Less: Accumulated impairment losses	(3,878,098)	(4,137,776)
	14,678,402	14,403,724

Investment in subsidiaries are stated at cost less accumulated impairments losses.

Movements in the impairment losses of investment in subsidiaries are as follows:

	Company	
	2024	2023
	RM	RM
At 1 January	4,137,776	2,727,430
Charge for the financial year	25,574	1,410,346
Reversal for the financial year	(285,252)	-
At 31 December	3,878,098	4,137,776

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

7. Investment in subsidiaries (Cont'd)

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

Details of subsidiaries are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2024 %	2023 %	
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 2024 (CONT'D)

7. Investment in subsidiaries (Cont'd)

Details of subsidiaries are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2024 %	2023 %	
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	100	70	Photography, video streaming, videography production and advertisement.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

7. Investment in subsidiaries (Cont'd)

Acquisition of shares from NCI in a subsidiary

On 14 March 2024, the Company acquired 15,000 ordinary shares in AppAsia Stream Sdn. Bhd. from NCI with a total cash consideration of RM15,000, which increasing its ownership from 70% to 100%.

The effect of changes in the equity ownership in AppAsia Stream Sdn. Bhd. that is attributable to owners of the Company are as follows:

	RM
Carrying amount of NCI acquired	(280,826)
Consideration paid to NCI	(15,000)
Loss on acquisition recorded in equity	<u>(295,826)</u>

Non-controlling interests

Name of company	Proportion of ownership interest and voting rights held by		Profit/(Loss) allocated to NCI		Accumulated NCI	
	2024	2023	2024	2023	2024	2023
	%	%	RM	RM	RM	RM
AppAsia Stream Sdn. Bhd.	-	30	5,737	(51,428)	-	(286,563)

Summarised financial information of NCI have not been presented as the NCI of the subsidiary are not individually material to the Group.

8. Trade receivables

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-current	82,160	53,751	-	-
Current	22,368,144	14,868,964	290	-
Less: Allowance for expected credit lossess ("ECLs")	(1,508)	(19,048)	-	-
	<u>22,366,636</u>	<u>14,849,916</u>	<u>290</u>	<u>-</u>
	<u>22,448,796</u>	<u>14,903,667</u>	<u>290</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

8. Trade receivables (Cont'd)

Included in trade receivables of the Group is loan receivables from third parties arising from the money lending business and have maturity of 1 to 2 years (2023: 1 to 2 years). The gross amount of RM17,693,597 (2023: RM8,572,948) is unsecured and bearing interest from 8.34% to 13.57% (2023: 6.00% to 13.58%) per annum, whereas the gross amount of RM1,095,044 (2023: RM4,050,030) is bearing interest from 10.33% to 12.00% (2023: 6.01% to 11.13%) per annum and is secured against the assets of the respective receivables.

Included in trade receivables of the Group is RM2,936,989 (2023: RM1,393,221) are bearing interest at 18% per annum if past due beyond the credit term and are generally on cash term to 60 days (2023: 30 to 90 days). Other trade receivables are non-interest bearing and are generally on cash term to 60 days (2023: 30 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for ECLs for trade receivables are as follows:

	Group	
	2024	2023
	RM	RM
At 1 January	19,048	5,062
Charge for the financial year	572	19,048
Reversal for the financial year	(7,312)	(5,062)
Written off for the financial year	(10,800)	-
At 31 December	1,508	19,048

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 provides information about the exposure to credit risk and allowance for ECLs for trade receivables:

	Gross amount RM	ECLs RM	Net amount RM
Group			
2024			
Not past due	22,016,035	-	22,016,035
Past due:			
Less than 30 days	383,038	-	383,038
31 to 60 days	43,096	-	43,096
61 to 90 days	2,904	-	2,904
More than 90 days	3,723	-	3,723
	22,448,796	-	22,448,796
Credit impaired:			
Individual impaired	1,508	(1,508)	-
	22,450,304	(1,508)	22,448,796

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

8. Trade receivables (Cont'd)

The following table provides information about the exposure to credit risk and allowance for ECLs for trade receivables: (Cont'd)

	Gross amount RM	ECLs RM	Net amount RM
Group (Cont'd)			
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
	<u>14,903,667</u>	<u>-</u>	<u>14,903,667</u>
Credit impaired:			
Individual impaired	19,048	(19,048)	-
	<u>14,922,715</u>	<u>(19,048)</u>	<u>14,903,667</u>
Company			
2024			
Not past due	<u>290</u>	<u>-</u>	<u>290</u>

9. Other receivables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-trade receivables	838,638	281,969	4,748	739
Less: Allowance for ECLs	<u>(194)</u>	<u>(194)</u>	<u>-</u>	<u>-</u>
	838,444	281,775	4,748	739
Deposits	187,301	197,877	66,693	66,853
Prepayments	227,547	211,044	44,394	46,052
Accrued revenue	<u>45,989</u>	<u>178,048</u>	<u>-</u>	<u>-</u>
	<u>1,299,281</u>	<u>868,744</u>	<u>115,835</u>	<u>113,644</u>

The accrued revenue primarily relates to the Group's rights to consideration for work performed but not yet billed at the reporting date for its services performed. The accrued revenue will be transferred to trade receivables when the rights become unconditional, which is expected to occur over the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

9. Other receivables (Cont'd)

As of the reporting date, the receivables expected to be recognised in the future relating to performance obligations that are satisfied is RM45,989 (2023: RM178,048). 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 ECLs of other receivables are as follows:

	Group	
	2024	2023
	RM	RM
At 1 January	194	-
Charge for the financial year	-	194
At 31 December	194	194

10. Amount due from/(to) subsidiaries

	Company	
	2024	2023
	RM	RM
Amount due from subsidiaries		
Trade related	2,140,864	2,546,780
Non-trade related	12,047,479	7,432,443
	14,188,343	9,979,223
Less: Allowance for ECLs	(3,445,093)	(3,721,326)
	10,743,250	6,257,897
Amount due to subsidiaries		
Non-trade related	(1,125,824)	(2,963,032)

Trade balances are unsecured, non-interest bearing and generally on 30 to 90 days (2023: 30 to 90 days). Non-trade balances are unsecured, non-interest bearing and repayable on demand.

Movements in the allowance for ECLs of amount due from subsidiaries are as follows:

	Company	
	2024	2023
	RM	RM
At 1 January	3,721,326	62,716
Charge for the financial year	-	3,658,610
Reversal for the financial year	(276,233)	-
At 31 December	3,445,093	3,721,326

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

11. Share capital

	Group and Company			
	Number of ordinary shares		Amount	
	2024	2023	2024	2023
	Units	Units	RM	RM
Issued and fully paid				
At 1 January	1,161,930,160	1,127,677,360	32,102,783	30,732,671
Exercise of warrants	282,972,800	34,252,800	11,434,470	1,370,112
At 31 December	<u>1,444,902,960</u>	<u>1,161,930,160</u>	<u>43,537,253</u>	<u>32,102,783</u>

In the previous 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.

During the financial year, the Company issued 281,756,400 and 1,216,400 new ordinary shares pursuant to the conversion of Warrants 2014/2024 ("Warrant A") and Warrants 2021/2024 ("Warrant B") at the exercise price of RM0.04 and RM0.135 per ordinary share respectively.

The new ordinary shares issued during the financial years 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.

12. Treasury shares

The shareholders of the Company, by a resolution passed in the 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 ordinary shares		Amount	
	2024	2023	2024	2023
	Units	Units	RM	RM
At 1 January	74,587,500	50,761,200	10,369,286	7,566,646
Purchase of own shares	-	23,826,300	-	2,802,640
At 31 December	<u>74,587,500</u>	<u>74,587,500</u>	<u>10,369,286</u>	<u>10,369,286</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

12. Treasury shares (Cont'd)

In the previous financial year, the Company repurchased a total of 23,826,300 of its issued ordinary shares from the open market at an average price of RM0.12 per share. The total consideration paid for the repurchase was RM2,802,640. 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.

13. Reserves

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Warrant reserve	(a)	-	14,534,462	-	14,534,462
Other reserve	(b)	-	(14,534,462)	-	(14,534,462)
Share Issuance Scheme ("SIS")					
Options reserve	(c)	600,090	600,090	600,090	600,090
Fair value reserve	(d)	790,284	322,236	-	-
Retained earnings/ (Accumulated losses)		5,069,425	2,509,360	(883,937)	(1,135,685)
		<u>6,459,799</u>	<u>3,431,686</u>	<u>(283,847)</u>	<u>(535,595)</u>

(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.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

13. Reserves (Cont'd)

(a) Warrant reserve (Cont'd)

Warrant A (Warrants 2014/2024) (Cont'd)

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 31 December 2023, the total number of Warrants A that remain unexercised were 288,750,500. During the financial year ended 31 December 2024, 281,756,400 units of Warrant A were exercised and the remaining units of 6,994,100 were lapsed on its expiration.

Warrant B (Warrants 2021/2024)

During the financial year ended 31 December 2021, 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 31 December 2023, the total number of Warrants B that remain unexercised were 106,920,742. During the financial year ended 31 December 2024, 1,216,400 units of Warrant B were exercised and the remaining units of 105,704,342 were lapsed on its expiration.

(b) Other reserve

This represents fair value allocated to the detachable warrants issued in conjunction with rights issue refer to Note 13(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

13. Reserves (Cont'd)

(c) Share Issuance Scheme (“SIS”) Options reserve

	Group and Company	
	2024	2023
	RM	RM
Non-distributable		
At 1 January/31 December	600,090	600,090

SIS Options 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. Further relevant details are disclosed in Note 24 to the financial statements.

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

14. Lease liabilities

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-current	85,212	66,770	-	-
Current	86,385	400,212	-	249,605
	<u>171,597</u>	<u>466,982</u>	<u>-</u>	<u>249,605</u>

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

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Within 1 year	93,600	412,722	-	254,772
Between 2 to 5 years	87,600	70,000	-	-
	<u>181,200</u>	<u>482,722</u>	<u>-</u>	<u>254,772</u>
Less: Future finance charges	(9,603)	(15,740)	-	(5,167)
Present value of lease liabilities	<u>171,597</u>	<u>466,982</u>	<u>-</u>	<u>249,605</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

14. Lease liabilities (Cont'd)

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% (2023: 3.80% to 5.45%) and 3.80% (2023: 3.80%) respectively.

15. Trade payables

The normal trade credit term granted to the Group is 30 days (2023: 30 days) depending on the terms of the contracts.

16. Other payables

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-trade payables	872,261	174,530	4,132	4,401
Accruals	676,395	681,183	57,940	64,646
Deposit received	600,396	881,204	33,200	28,800
Deferred revenue	5,168	529,296	-	-
Sales and service tax payable	188,172	131,096	-	-
	<u>2,342,392</u>	<u>2,397,309</u>	<u>95,272</u>	<u>97,847</u>

Included in non-trade payables of the Group is an amount of RM216 (2023: RM268) due to a company in which certain Directors of the Company has interests.

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 to 12 months (2023: 1 to 12 months).

As of the reporting date, the revenue expected to be recognised in the future relating to performance obligations that are unsatisfied is RM5,168 (2023: RM529,296). The Group expects to recognise this revenue as the services are performed, which is expected to occur over the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

17. Revenue

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Revenue from contracts with customers:				
Rendering of services	12,146,202	11,691,972	42,290	36,000
Sales of goods	16,010,885	9,454,229	-	-
Management fees	-	-	1,192,500	1,350,000
	<u>28,157,087</u>	<u>21,146,201</u>	<u>1,234,790</u>	<u>1,386,000</u>
Revenue from other sources:				
Interest income	19,026	6,264	19,026	6,264
Rental income	52,800	-	172,800	120,000
Financing income	2,113,737	1,623,611	-	-
	<u>2,185,563</u>	<u>1,629,875</u>	<u>191,826</u>	<u>126,264</u>
	<u>30,342,650</u>	<u>22,776,076</u>	<u>1,426,616</u>	<u>1,512,264</u>
Timing of revenue recognition:				
At a point in time	23,038,964	16,146,328	-	-
Over time	<u>5,118,123</u>	<u>4,999,873</u>	<u>1,234,790</u>	<u>1,386,000</u>
Total revenue from contracts with customers	<u>28,157,087</u>	<u>21,146,201</u>	<u>1,234,790</u>	<u>1,386,000</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

17. Revenue (Cont'd)

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

	Investment holding RM	Digital solutions RM	E-Commerce business RM	Consolidated RM
2024				
Major goods and services:				
Rendering of services	42,290	11,989,178	114,734	12,146,202
Sales of goods	-	-	16,010,885	16,010,885
Total revenue from contracts with customers	42,290	11,989,178	16,125,619	28,157,087
Geographical market:				
Malaysia	42,290	11,989,148	16,125,619	28,157,057
United States	-	30	-	30
Total revenue from contracts with customers	42,290	11,989,178	16,125,619	28,157,087
Timing of revenue recognition:				
At a point in time	-	6,913,345	16,125,619	23,038,964
Over time	42,290	5,075,833	-	5,118,123
	42,290	11,989,178	16,125,619	28,157,087
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 2024 (CONT'D)

17. Revenue (Cont'd)

Rendering of services

Revenue from maintenance services and digital platform services are recognised over time in the reporting period in which the services is rendered, which simultaneously received and consumes the benefits provided by the Group and the Company, and the Group and the Company has a present right to payment for the services.

Revenue from provision of electronic bank confirmation platform services, advertising agents services and photography, videography production and advertisement services are recognised at a point in time in the reporting period in which the services are rendered. Revenue is recognised based on the price specified in the contract net of the rebates, discounts and taxes.

Sales of goods

Revenue from sales of goods is recognised at a point in time in the reporting period 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 cash term to 60 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.

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.

Interest income

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

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 2024 (CONT'D)

18. Finance cost

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Interest expense on:				
Lease liabilities	15,047	37,791	5,167	23,407

19. Profit/(Loss) before tax

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

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Amortisation of intangible assets	470,899	603,344	-	-
Auditors' remuneration				
- statutory audit	82,500	77,000	33,000	31,000
- non-statutory audit	3,000	3,000	3,000	3,000
Deposit forfeited	-	3,200	-	-
Depreciation of:				
- investment properties	49,109	49,597	49,109	49,597
- property, plant and equipment	250,573	239,084	60,201	55,245
- right-of-use assets	359,050	399,435	240,427	235,896
Lease expenses relating to:				
- short-term leases (a)	-	790	-	-
- low-value asset (a)	4,570	6,000	-	-
Loss/(Gain) on disposal of:				
- digital assets	(100,926)	(143,701)	-	-
- property, plant and equipment	4,657	(47,823)	(3,599)	(46,000)
Gain on early termination of lease contract	(1,523)	-	-	-
Government grant income	(4,057)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

19. Profit/(Loss) before tax (Cont'd)

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

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Unrealised gain on foreign exchange	(2,660)	-	-	-
Realised (gain)/loss on foreign exchange	(1,297)	820	-	-
Interest income	(97,674)	(82,770)	(19,026)	(6,264)
Property, plant and equipment written off	654	6,400	-	-
Reversal of allowance for ECLs on:				
- trade receivables	(7,312)	(5,062)	-	-
- amount due from subsidiaries	-	-	(276,233)	-
Allowance for ECLs on:				
- amount due from subsidiaries	-	-	-	3,658,610
- trade receivables	572	19,048	-	-
- other receivables	-	194	-	-
Reversal of impairment losses on:				
- digital assets	-	(80,864)	-	-
- investment in subsidiaries	-	-	(285,252)	-
Impairment losses on:				
- investment in subsidiaries	-	-	25,574	1,410,346
- investment properties	19,891	24,403	19,891	24,403

- (a) The Group leases a number of office equipment with contract terms of not more than one year or value of asset is less than RM20,000 when it is new. These leases are short-term and lease of low-value asset. The Group has elected not to recognise ROU assets and lease liabilities for these leases.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

20. Taxation

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Tax expenses recognised in profit or loss				
Current tax				
Current financial year provision	1,164,760	782,269	16,000	28,254
(Over)/Under provision in prior financial year	(3,363)	4,578	(439)	4,852
	<u>1,161,397</u>	<u>786,847</u>	<u>15,561</u>	<u>33,106</u>

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

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit/(Loss) before tax	<u>4,023,025</u>	<u>2,677,910</u>	<u>267,309</u>	<u>(5,186,115)</u>
At Malaysian statutory tax rate of 24% (2023: 24%)	965,526	642,698	64,154	(1,244,668)
Income not subject to tax	(70,609)	(88,899)	(134,756)	(11,360)
Expenses not deductible for tax purposes	361,859	329,791	77,579	1,306,440
Deferred tax assets not recognised	(92,016)	(101,321)	9,023	(22,158)
(Over)/Under provision of current tax in prior financial year	(3,363)	4,578	(439)	4,852
	<u>1,161,397</u>	<u>786,847</u>	<u>15,561</u>	<u>33,106</u>

The Group has estimated unutilised capital allowances of RM296,251 (2023: RM269,898) and unutilised business losses of RM11,102,435 (2023: RM11,066,959) and the Company has estimated unutilised capital allowances of RM169,116 (2023: RM122,177) and unutilised business losses of RM7,394,770 (2023: RM7,394,770) available for carry forward to offset against future taxable profits. These amounts are subject to approval by the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

20. Taxation (Cont'd)

Unutilised business losses for which no deferred tax asset was recognised expire as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Expiring on 2028	8,166,696	8,220,269	7,394,770	7,394,770
Expiring on 2029	243,945	243,945	-	-
Expiring on 2030	198,658	198,658	-	-
Expiring on 2031	293,113	482,607	-	-
Expiring on 2032	1,273,957	1,326,224	-	-
Expiring on 2033	589,073	595,256	-	-
Expiring on 2034	336,993	-	-	-
	<u>11,102,435</u>	<u>11,066,959</u>	<u>7,394,770</u>	<u>7,394,770</u>

Based on the current legislation, any unutilised business losses shall be carried forward for a maximum period of ten consecutive years of assessment immediately following that year of assessment, whereas the unutilised capital allowances are allowed to be carried forward indefinitely.

Unrecognised deferred tax assets

Deferred tax assets (stated at gross) have not been recognised in respect of the following items:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Unutilised business losses	11,102,435	11,066,959	7,394,770	7,394,770
Unutilised capital allowances	296,251	269,898	169,116	122,177
Property, plant and equipment	(19,577)	(8,833)	(20,007)	(10,664)
Provision	-	30,000	-	-
Others	-	404,485	-	-
	<u>11,379,109</u>	<u>11,762,509</u>	<u>7,543,879</u>	<u>7,506,283</u>

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiaries that have a recent history of losses.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

21. 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	
	2024 RM	2023 RM
Profit attributable to owners of the Company	<u>2,855,891</u>	<u>1,942,491</u>
Weighted average number of ordinary shares in issue (in unit):		
Issued ordinary shares at 1 January (exclude treasury shares)	1,087,342,660	1,076,916,160
Effect of ordinary shares issued during the financial year	94,624,721	9,129,978
Effect of treasury shares held	<u>-</u>	<u>(14,648,002)</u>
Weighted average number of ordinary shares at 31 December	<u>1,181,967,381</u>	<u>1,071,398,136</u>
Basic earnings per share (in sen)	<u>0.24</u>	<u>0.18</u>

(b) Diluted earnings per share

The diluted earnings per share are calculated based on the 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	
	2024 RM	2023 RM
Profit attributable to owners of the Company	<u>2,855,891</u>	<u>1,942,491</u>
Weighted average number of ordinary shares used in the calculation of basic earnings per share	1,181,967,381	1,071,398,136
Effect of share options on issue	12,500,816	10,491,462
Effect of conversion of Warrants	<u>-</u>	<u>179,185,093</u>
Weighted average number of ordinary shares at 31 December (diluted)	<u>1,194,468,197</u>	<u>1,261,074,691</u>
Diluted earnings per share (in sen)	<u>0.24</u>	<u>0.15</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

22. Staff costs

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Salaries, wages and other emoluments	4,240,778	4,561,942	525,779	554,709
Social security contributions	36,280	44,843	6,994	6,471
Defined contribution plans	579,496	599,093	72,411	81,695
Employee insurance system	3,927	4,937	800	740
Other benefits	97,797	90,939	58,411	36,370
Estimated money value of benefits-in-kind	62,700	49,200	17,400	18,000
	<u>5,020,978</u>	<u>5,350,954</u>	<u>681,795</u>	<u>697,985</u>

23. Reconciliation of liabilities arising from financing activities

The table below shows the detailed 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	Financing cash flows RM	Other changes (i) RM	At 31 December RM
Group				
2024				
Lease liabilities	466,982	(368,819)	73,434	171,597
2023				
Lease liabilities	416,837	(393,358)	443,503	466,982
Company				
2024				
Lease liabilities	249,605	(249,605)	-	-
Amount due to subsidiaries	2,963,032	(1,837,208)	-	1,125,824
	<u>3,212,637</u>	<u>(2,086,813)</u>	<u>-</u>	<u>1,125,824</u>
2023				
Lease liabilities	249,605	(231,365)	231,365	249,605
Amount due to subsidiaries	1,199,147	1,763,885	-	2,963,032
	<u>1,448,752</u>	<u>1,532,520</u>	<u>231,365</u>	<u>3,212,637</u>

(i) Other changes include new lease and early termination of lease contract.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

24. 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.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

24. Share issuance scheme (“SIS”) (Cont’d)

Movements in the number of share options and the weighted average exercise prices are as follows:

Date of offer	Exercise price	Number of options over ordinary shares			
		At 1.1.2024	Exercised	Lapsed	At 31.12.2024
24 March 2015	0.061	24,900,000	-	-	24,900,000

Date of offer	Exercise price	Number of options over ordinary shares			
		At 1.1.2023	Exercised	Lapsed	At 31.12.2023
24 March 2015	0.061	24,900,000	-	-	24,900,000

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:

	2024 RM	2023 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 2024 (CONT'D)

25. 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	
	2024	2023
	RM	RM
Transactions with companies in which certain Directors have substantial financial interests		
Rental deposits paid	15,000	-
Rental of premises paid/payable	371,599	370,722

	Company	
	2024	2023
	RM	RM
Transactions with subsidiaries		
Service received	36,000	43,200
Management fee received	(1,192,500)	(1,350,000)
Rental income	(120,000)	(120,000)

Transactions with companies in which certain Directors of the Company has substantial financial interests

Maintenance services received	(42,290)	(36,000)
Rental of premises paid/payable	254,772	254,772

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

25. Related party disclosures (Cont'd)

(c) Compensation of key management personnel

Compensation of Directors and other members of key management personnel are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Executive Directors				
Salaries and other emoluments	1,899,000	1,595,000	115,000	205,000
Defined contribution plans	318,610	268,125	20,950	38,050
Employee insurance system	799	771	180	178
Social security contributions	6,982	6,754	1,572	1,554
Estimated money value of benefits-in-kind	62,700	49,200	17,400	18,000
	<u>2,288,091</u>	<u>1,919,850</u>	<u>155,102</u>	<u>262,782</u>
Non-executive Directors				
Fees	112,742	90,000	112,742	90,000
other emoluments	45,000	42,500	45,000	42,500
	<u>157,742</u>	<u>132,500</u>	<u>157,742</u>	<u>132,500</u>
Other key management personnel				
Salaries and other emoluments	187,000	239,700	-	-
Defined contributions plans	22,440	28,764	-	-
Employee insurance system	155	238	-	-
Social security contributions	1,352	2,080	-	-
	<u>210,947</u>	<u>270,782</u>	<u>-</u>	<u>-</u>
	<u>2,656,780</u>	<u>2,323,132</u>	<u>312,844</u>	<u>395,282</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

26. 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.

The Group management strategically dedicates the operation of each business units to the respective subsidiaries and monitors the operation separately for effective resource allocation and performance assessment. Each business unit's performance is evaluated based on the long-term business value and profitability.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

26. Segment information (Cont'd)

	Digital solutions RM	E-Commerce business RM	Financial services RM	Investment holding and others RM	Eliminations RM	Consolidated RM
2024						
Revenue						
External customers	11,989,178	16,125,619	2,113,737	114,116	-	30,342,650
Inter segment	143,000	-	-	1,346,100	(1,489,100)	-
Total revenue	12,132,178	16,125,619	2,113,737	1,460,216	(1,489,100)	30,342,650
Segment results						
Interest income	17,297	47,570	13,781	19,026	-	97,674
Interest expenses	(11,841)	-	(725)	(5,167)	2,686	(15,047)
Depreciation and amortisation	(853,024)	(4,741)	(34,692)	(349,737)	112,563	(1,129,631)
Other non-cash items	(494,473)	(250,000)	-	519,619	311,501	86,647
Segments profit/(loss) before tax	2,441,169	(42,777)	1,024,218	293,664	306,751	4,023,025
Assets						
Included in the measurement of segment assets are:						
Capital expenditure	2,056,440	-	-	79,780	-	2,136,220
Segments assets	18,801,026	4,920,954	20,662,807	34,977,359	(37,101,139)	42,261,007
Liabilities						
Segment liabilities	7,624,549	1,830,094	18,669,545	1,224,296	(26,715,243)	2,633,241

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

26. Segment information (Cont'd)

	2023				
	Digital solutions RM	E-Commerce business RM	Financial services RM	Investment holding and others RM	Eliminations RM
Revenue					Consolidated RM
External customers	11,278,619	9,831,582	1,623,611	42,264	-
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	-
Interest expenses	(23,233)	-	(3,273)	(23,407)	12,122
Depreciation and amortisation	(1,003,050)	(27,417)	(30,476)	(340,738)	110,221
Other non-cash items	189,108	-	-	(5,047,359)	5,068,956
Segments profit/(loss) 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)
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 2024 (CONT'D)

26. Segment information (Cont'd)

(a) Adjustment and eliminations

Capital expenditure consists of additions of property, plant and equipment, right-of-use assets and intangible 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	
	2024	2023
	RM	RM
(Loss)/Gain on disposal of:		
- property, plant and equipment	(4,657)	47,823
- digital assets	100,926	143,701
Deposit forfeited	-	(3,200)
Reversal of allowance for ECLs on trade receivables	7,312	5,062
Reversal of impairment losses on digital assets	-	80,864
Allowance for ECLs on:		
- trade receivables	(572)	(19,048)
- other receivables	-	(194)
Impairment losses on investment properties	(19,891)	(24,403)
Property, plant and equipment written off	(654)	(6,400)
Unrealised gain on foreign exchange	2,660	-
Reclassification of property, plant and equipment	-	(13,500)
Gain on early termination of lease contract	1,523	-
	86,647	210,705

(c) Geographic information

No disclosure on geographical segment information as the Group predominantly operates in Malaysia.

The non-current assets are entity located in Malaysia.

Revenue information based on the geographic location of customers is disclosed in Note 17 to the financial statements.

(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 2024 (CONT'D)

26. Segment information (Cont'd)

(d) Major customers (Cont'd)

The following is the major customers with revenue equal or more than 10% of the Group's total revenue:

		Group	
Segment		2024 RM	2023 RM
- Customer A	E-Commerce business	9,644,387	3,712,185
- Customer B	E-Commerce business	-	2,646,989
		<u>9,644,387</u>	<u>6,359,174</u>

27. Financial instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis at amortised cost.

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:

		2024 RM	2023 RM
Group			
At amortised cost			
Financial assets			
Trade receivables		22,448,796	14,903,667
Other receivables		1,025,745	479,652
Cash and bank balances		12,768,060	7,992,310
		<u>36,242,601</u>	<u>23,375,629</u>
At amortised cost			
Financial liabilities			
Trade payables		117,272	598,139
Other payables		2,149,052	1,736,917
		<u>2,266,324</u>	<u>2,335,056</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

27. Financial instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

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: (Cont'd)

	2024 RM	2023 RM
Company		
At amortised cost		
Financial assets		
Trade receivables	290	-
Other receivables	71,441	67,592
Amount due from subsidiaries	10,743,250	6,257,897
Cash and bank balances	6,311,638	1,208,574
	<u>17,126,619</u>	<u>7,534,063</u>
At amortised cost		
Financial liabilities		
Other payables	95,272	97,847
Amount due to subsidiaries	1,125,824	2,963,032
	<u>1,221,096</u>	<u>3,060,879</u>

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy are to ensure that adequate financial resources are available for the development of the Group's and of the Company's operation whilst managing their credit, liquidity and market risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy are not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company'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 and the Company 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 trade and other receivables and cash and bank balances. The Company's exposure to credit risk arises principally from trade and other receivables, amount due from subsidiaries and cash and bank balances. There are no significant changes as compared to prior financial year.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

27. Financial instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The Group and the Company have 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 subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

At each reporting date, the Group and the Company assess whether any of 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.

Credit risks concentration

As at the end of the financial year, the Group had 3 customers (2023: 4 customers) accounted for approximately 68% (2023: 69%) of the trade receivables outstanding. The Company has no significant concentration of credit risks except for advances to its subsidiaries where risks of default have been assessed to be low.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

27. 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.

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	2 to 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group				
2024				
<u>Non-derivative</u>				
<u>financial liabilities</u>				
Trade payables	117,272	-	117,272	117,272
Other payables	2,149,052	-	2,149,052	2,149,052
Lease liabilities	93,600	87,600	181,200	171,597
	<u>2,359,924</u>	<u>87,600</u>	<u>2,447,524</u>	<u>2,437,921</u>
2023				
<u>Non-derivative</u>				
<u>financial liabilities</u>				
Trade payables	598,139	-	598,139	598,139
Other payables	1,736,917	-	1,736,917	1,736,917
Lease liabilities	412,722	70,000	482,722	466,982
	<u>2,747,778</u>	<u>70,000</u>	<u>2,817,778</u>	<u>2,802,038</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

27. 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. (Cont'd)

	On demand or within 1 year RM	Total contractual cash flows RM	Total carrying amount RM
Company			
2024			
<u>Non-derivative financial liabilities</u>			
Other payables	95,272	95,272	95,272
Amount due to subsidiaries	1,125,824	1,125,824	1,125,824
	<u>1,221,096</u>	<u>1,221,096</u>	<u>1,221,096</u>
2023			
<u>Non-derivative financial liabilities</u>			
Other payables	97,847	97,847	97,847
Amount due to subsidiaries	2,963,032	2,963,032	2,963,032
Lease liabilities	254,772	254,772	249,605
	<u>3,315,651</u>	<u>3,315,651</u>	<u>3,310,484</u>

(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") and Philippine Peso ("PHP").

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.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

27. Financial instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

The carrying amounts of the Group's foreign currencies denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in	
	USD RM	PHP RM
Group		
2024		
Financial assets		
Cash and bank balances	118,177	3,903
Trade receivables	177	-
Other receivables	224	-
	<u>118,578</u>	<u>3,903</u>
2023		
Financial asset		
Trade receivables	<u>145</u>	<u>-</u>

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD and PHP exchange rates against RM, with all other variables held constant.

		Effect on profit before tax	
		2024 RM	2023 RM
USD	Strengthened by 1% (2023: 1%)	1,186	1
	Weakened by 1% (2023: 1%)	(1,186)	(1)
PHP	Strengthened by 1% (2023: 1%)	39	-
	Weakened by 1% (2023: 1%)	<u>(39)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

27. Financial instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(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 and the Company manage their 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.

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:

	2024 RM	2023 RM
Group		
Fixed rate instruments		
<u>Financial asset</u>		
Trade receivables	21,725,630	14,016,199
<u>Financial liability</u>		
Lease liabilities	(171,597)	(466,982)
	<u>21,554,033</u>	<u>13,549,217</u>
Company		
Fixed rate instrument		
<u>Financial liability</u>		
Lease liabilities	-	(249,605)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024 (CONT'D)

27. Financial instruments (Cont'd)

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and bank balances 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 2024 (CONT'D)

28. Capital management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company'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 and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitor capital using a gearing ratio. The Group's and the Company'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	
	2024	2023	2024	2023
	RM	RM	RM	RM
Lease liabilities	171,597	466,982	-	249,605
Less: Cash and bank balances	(12,768,060)	(7,992,310)	(6,311,638)	(1,208,574)
Net cash	<u>(12,596,463)</u>	<u>(7,525,328)</u>	<u>(6,311,638)</u>	<u>(958,969)</u>
Total equity	<u>39,627,766</u>	<u>24,878,620</u>	<u>32,884,120</u>	<u>21,197,902</u>
Gearing ratio	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

N/A - The gearing ratio is not applicable as the Group and the Company has sufficient cash and bank balances to settle the liabilities as at year end.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

29. Significant event after the financial year

On 5 March 2025, the Company issued 24,900,000 new ordinary shares pursuant to the exercise of SIS Options at the exercise price of RM0.061 each, for a total cash consideration of RM1,518,900.

30. 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 2025.

LIST OF PROPERTIES

No.	Title Details/ Postal Address	Description of property / Existing use	Built-up Area / Land Area (Sf)	Approximate Age of Building (Years)	Tenure	Audited Net Book Value as at 31.12.2024 RM	Date of Acquisition
1.	No. 101, 101A, 101B & 101C Persiaran Pegaga Taman Bayu Perdana 41200 Klang Selangor Darul Ehsan	Office Lot	1,496	29 years	Freehold	1,005,000	15 December 2015
2.	No. 103, 103A, 103B & 103C Persiaran Pegaga Taman Bayu Perdana 41200 Klang Selangor Darul Ehsan	Office Lot	1,496	29 years	Freehold	984,000	15 December 2015

ANALYSIS OF SHAREHOLDINGS AS AT 4 APRIL 2025

Total Number of Issued Shares	: 1,469,802,960 (including 74,587,500 treasury shares)
Class of Shares	: Ordinary Shares
Voting Rights	: One vote per share

Distribution of Shareholders

Size of Shareholdings	No. of Shareholders	%#	No. of Shares	% #
Less than 99	15	0.51	270	0.00
100 to 1,000	326	11.11	144,448	0.01
1,001 to 10,000	696	23.72	4,050,605	0.29
10,001 to 100,000	1,348	45.94	53,176,337	3.81
100,001 to 69,760,772*	545	18.58	778,983,000	55.83
69,760,772 and above**	4	0.14	558,860,800	40.06
TOTAL	2,934	100.00	1,395,215,460	100.00

Note:

excluding a total of 74,587,500 ordinary shares bought back by the Company and retained as treasury shares as at 4 April 2025.

* Less than 5% of issued shares

** 5% and above of issued shares

List of Directors' Shareholdings

No.	Name	Direct Interest	No. of Ordinary Shares		% #
			Indirect Interest		
1.	Datuk Seri Rahadian Mahmud bin Mohammad Khalil	4,500,000	-	-	-
2.	Toh Hong Chye	265,910,800	126,000,000*	9.03	9.03
3.	Yong Mai Fang	22,300,000	126,000,000*	9.03	9.03
4.	Wong Ngai Peow	10,213,500	-	-	-
5.	Yeong Siew Lee	-	-	-	-
6.	Tiew Chee Ming	-	-	-	-

Note:

excluding a total of 74,587,500 ordinary shares bought back by the Company and retained as treasury shares as at 4 April 2025.

* Deemed interested by virtue of Section 8(4)(c) of the Companies Act 2016 via his/her interest in Richmond Virginia Tobacco Sdn. Bhd.

List of Substantial Shareholders

No.	Name	Direct Interest	No. of Ordinary Shares		% #
			Indirect Interest		
1.	Richmond Virginia Tobacco Sdn. Bhd.	126,000,000	-	-	-
2.	Toh Hong Chye	265,910,800	126,000,000*	9.03	9.03
3.	Yong Mai Fang	22,300,000	126,000,000*	9.03	9.03
4.	Tan Kang Seng	185,000,000	-	-	-
5.	European Credit Investment Bank Ltd	79,600,000	-	-	-

Note:

excluding a total of 74,587,500 ordinary shares bought back by the Company and retained as treasury shares as at 4 April 2024.

* Deemed interested by virtue of Section 8(4)(c) of the Companies Act 2016 via his/her interest in Richmond Virginia Tobacco Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS AS AT 4 APRIL 2025 (CONT'D)

Thirty (30) Largest Shareholders

No.	Name	No. of Shares	%
1.	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kang Seng (CCTS)	185,000,000	13.26
2.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Toh Hong Chye	168,260,800	12.06
3.	RHB Capital Nominees (Tempatan) Sdn Bhd Richmond Virginia Tobacco Sdn. Bhd.	126,000,000	9.03
4.	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Exempt AN for European Credit Investment Bank Ltd	79,600,000	5.71
5.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Toh Hong Chye	60,000,000	4.30
6.	Tengku Puteri Zainah binti Tengku Eskandar	46,500,000	3.33
7.	Fong Poh Chee	40,000,000	2.87
8.	RHB Nominees (Tempatan) Sdn Bhd Toh Hong Chye	37,650,000	2.70
9.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yong Pei Cheen	33,000,000	2.37
10.	Lee See Yang	32,000,000	2.29
11.	Lembaga Tabung Amanah Warisan Negeri Terengganu	30,000,000	2.15
12.	RHB Capital Nominees (Tempatan) Sdn. Bhd. David Lai & Tan Services Sdn. Bhd.	30,000,000	2.15
13.	Yong Mai Fang	21,300,000	1.53
14.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yen Soon Ai	18,812,900	1.35
15.	Yong Pei Cheen	15,600,000	1.12
16.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Vincent Tan Seng Chye	13,474,000	0.97
17.	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goh Beng De @ Gho Beng De (CCTS)	13,381,000	0.96
18.	RHB Capital Nominees (Tempatan) Sdn Bhd Tan Chin Hoong	13,074,900	0.94
19.	Maybank Nominees (Tempatan) Sdn Bhd Mtrustee Berhad for Phillip Pearl Fund (UT-PM-PPF) (419471)	12,208,900	0.88
20.	Phillip Nominees (Tempatan) Sdn Bhd Exempt AN for Phillip Capital Management Sdn Bhd	10,128,400	0.73
21.	Chiong Miaw Thuan	8,550,000	0.61
22.	Phillip Nominees (Tempatan) Sdn Bhd Exempt AN for Phillip Capital Management Sdn Bhd	8,219,400	0.59
23.	Wong Ngai Peow	7,500,000	0.54
24.	Lim Chee Seong	6,700,000	0.48
25.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Jee Tai Chew (021)	6,500,000	0.47
26.	Baskaran A/L Govinda Nair	6,000,000	0.43
27.	Chia Gek Liang	6,000,000	0.43
28.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Liaw Tze Shung @ Richard (PB)	6,000,000	0.43
29.	Chew Sun Noi	5,610,000	0.40
30.	RHB Capital Nominees (Tempatan) Sdn Bhd Lim Siew Boey	5,525,100	0.40

NOTICE OF TWENTY FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty First Annual General Meeting ("**21st AGM**") of AppAsia Berhad ("**Company**") will be held at Gallery 2, Level 1, Concorde Hotel Kuala Lumpur, No. 2, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Thursday, 19 June 2025 at 12.00 noon or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

AGENDA

Ordinary Business:

- | | |
|--|---|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with Reports of the Directors' and the Auditors' thereon. | Please refer to Explanatory Note 1 |
| 2. To re-elect Toh Hong Chye as Director in accordance with Clause 105(1) of the Constitution of the Company. | Ordinary Resolution 1 |
| 3. To re-elect Yeong Siew Lee as Director in accordance with Clause 105(1) of the Constitution of the Company. | Ordinary Resolution 2 |
| 4. To re-elect George Tan Kan Chin as Director in accordance with Clause 107 of the Constitution of the Company. | Ordinary Resolution 3 |
| 5. To re-elect Huan Soo Wai as Director in accordance with Clause 107 of the Constitution of the Company. | Ordinary Resolution 4 |
| 6. To re-elect Tan Chiau Wei as Director in accordance with Clause 107 of the Constitution of the Company. | Ordinary Resolution 5 |
| 7. To approve the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries up to an aggregate amount of RM520,000.00 per annum until the next Annual General Meeting of the Company. | Ordinary Resolution 6 |
| 8. To re-appoint Messrs TGS TW PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 7 |

Special Business:

To consider and, if thought fit, to pass the following resolutions:

- | | |
|--|------------------------------|
| 9. AUTHORITY FOR DATUK SERI RAHADIAN MAHMUD BIN MOHAMMAD KHALIL TO CONTINUE IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR | Ordinary Resolution 8 |
| <p>"That authority be and is hereby given to Datuk Seri Rahadian Mahmud bin Mohammad Khalil who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code of Corporate Governance."</p> | |

NOTICE OF TWENTY FIRST ANNUAL GENERAL MEETING (CONT'D)

10. AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT SHARES OR GRANT RIGHTS **Ordinary Resolution 9**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued shares/total number of voting shares of the Company (excluding treasury shares) at the time of issue.

THAT pursuant to Section 85 of the Companies Act 2016 approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued Company's shares arising from any issuance of new Company's shares pursuant to Sections 75 and 76 of the Companies Act 2016.

THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

11. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS MANDATE") **Ordinary Resolution 10**

"THAT subject to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("**AppAsia Group**") to enter into all arrangements and/or transactions involving the interest of Directors, major shareholders or persons connected with the Directors and/or major shareholders of AppAsia Group as specified in the Circular to Shareholders dated 30 April 2025 provided that such transactions are:

- (a) undertaken in the ordinary course of business at arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public;
- (b) necessary for the day-to-day operations; and
- (c) not to the detriment of the minority shareholders of the Company.

THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company at which it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed; or
- (b) the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting.

whichever is earlier;

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders Mandate."

NOTICE OF TWENTY FIRST ANNUAL GENERAL MEETING (CONT'D)

12. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

Ordinary Resolution 11

"THAT subject to the Companies Act 2016, the provisions of the Constitution of the Company, the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (a) the aggregate number of shares purchased or held as treasury shares does not exceed ten per centum (10%) of the total number of issued and paid-up shares of the Company as quoted on Bursa Securities as at the point of purchase;
- (b) the maximum fund to be allocated by the Company for the purpose of purchasing the shares be backed by an equivalent amount of retained profits; and
- (c) the Directors of the Company may decide either to retain the shares purchased as treasury shares, or cancel the shares, or retain part of the shares so purchased as treasury shares and cancel the remainder, or resell the shares, or transfer the shares or distribute the shares as dividends.

THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:

- (a) the conclusion of the next Annual General Meeting at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever occurs first.

THAT authority be and is hereby given to the Directors of the Company to decide in their absolute discretion to retain the ordinary shares in the Company so purchased by the Company as Treasury Shares and/or to cancel them and/or to resell them and/or to distribute them as share dividends in such manner as may be permitted and prescribed by the provisions of the Listing Requirements and any other relevant authorities.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the interests of the Company."

- 13. To transact any other business that may be transacted at an annual general meeting of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

NOTICE OF TWENTY FIRST ANNUAL GENERAL MEETING (CONT'D)

BY ORDER OF THE BOARD

CHIN WAI YI (MAICSA 7069783) (SSM PC No. 202008004409)

Company Secretary

Kuala Lumpur

Date: 30 April 2025

Explanatory Notes on Ordinary and Special Businesses:

1. Item 1 of the Agenda

Agenda item no. 1 is meant for discussion only as the provisions of Section 340 of the Companies Act 2016, it does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

2. Items 2, 3, 4, 5 and 6 of the Agenda

The Nomination Committee ("NC") have considered the performance and contribution of each of the retiring Directors and have also assessed the independence of the Independent Non-Executive Directors seeking for re-election. Based on the results of the Board Evaluation conducted for the financial year ended 31 December 2024, the performance of each of the retiring Directors was found to be satisfactory. In addition, each of the retiring Directors had provided their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

Based on the recommendation of the NC, the Board supports the re-election of the Directors based on the following justifications:

Toh Hong Chye : Toh Hong Chye has been involved in the successful implementation of several corporate exercises which include merger and acquisition and corporate debt restructuring exercises undertaken by private and public listed companies. The Board is of the view that his past experience enables him to bring essential insight to the Board.

Toh Hong Chye has exercised his due care and carried out his professional duties proficiently during his tenure as an Executive Director of the Company.

Yeong Siew Lee : Yeong Siew Lee fulfils the requirement of independence set out in the Listing Requirements of Bursa Securities. She remains objective and independent in expressing her view and participating in Board's deliberation and decision making process.

Yeong Siew Lee has exercised her due care and carried out her professional duties proficiently during her tenure as an Independent Non-Executive Director of the Company.

George Tan Kan Chin : The Board believes his extensive experience across business and operation management along with investment consultancy across the property development, trading services as well as F&B sectors provides a strong addition to the skill sets on the Board.

George Tan Kan Chin has exercised his due care and carried out his professional duties proficiently during his tenure as a Non-Independent Non-Executive Director of the Company.

NOTICE OF TWENTY FIRST ANNUAL GENERAL MEETING (CONT'D)

Huan Soo Wai : The Board is of the view that Huan Soo Wai has over a decade of experience in e-commerce, business development, management, sales and marketing, which enables him to bring essential insight to the Board. He fulfils the requirement of independence set out in the Listing Requirements of Bursa Securities and remains objective and independent in expressing his view and participating in Board's deliberation and decision making process.

Huan Soo Wai has exercised his due care and carried out his professional duties proficiently during his tenure as an Independent Non-Executive Director of the Company.

Tan Chiau Wei : Tan Chiau Wei is a seasoned leader in business management, marketing, with extensive experience in sales and executive roles across multiple industries. The Board is of the view that with the solid educational background and a proven track record of driving business growth and marketing strategies, Tan Chiau Wei has excelled in leadership positions.

Tan Chiau Wei fulfils the requirement of independence set out in the Listing Requirements of Bursa Securities.

3. Item 9 of the Agenda

Pursuant to the Malaysian Code on Corporate Governance, it is recommended that approval of shareholders be sought in the event that the Company intends to retain the independent director who has served in that capacity for more than nine (9) years. Following an assessment and recommendation by the NC, the Board (save for Datuk Seri Rahadian Mahmud bin Mohammad Khalil who had abstained from deliberation on discussion relating to his own continuation in office as Independent Non-Executive Chairman) recommended that Datuk Seri Rahadian Mahmud bin Mohammad Khalil who have served as Independent Non-Executive Chairman for a cumulative term of more than nine (9) years to continue to act as Independent Non-Executive Chairman of the Company based on the following key justifications:

- (a) he fulfils the criteria under the definition of Independent Director as stated in the Listing Requirements of Bursa Securities and, therefore, is able to bring independent and objective judgment to the Board as a whole;
- (b) his experience in the relevant industries has enabled him to provide the Board and Board Committees, as the case may be, with pertinent expertise, skills, contribution and competence;
- (c) he has been with the Company for a certain period and therefore understands the Company's business operations which enables him to contribute actively and effectively during deliberations or discussions at Board and Committee meetings;
- (d) he continues to be scrupulously independent in his thinking and in their effectiveness as constructive challengers of the Executive Directors; and
- (e) he exercised due care during his tenure as an Independent Non-Executive Chairman and carried out his professional duties in the best interest of the Company and shareholders.

NOTICE OF TWENTY FIRST ANNUAL GENERAL MEETING (CONT'D)

4. Item 10 of the Agenda

The Ordinary Resolution 9 proposed under item 10 of the Agenda is to seek the shareholders' approval of a new general mandate for issuance of shares by the Company under Sections 75 and 76 of the Companies Act 2016. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

The waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

5. Item 11 of the Agenda

The proposed Ordinary Resolution 10, if passed, will enable Company and its subsidiaries to enter into recurrent transactions involving interests of Related Parties, which are necessary for its day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Please refer to the Circular to Shareholders dated 30 April 2025 for further details.

6. Item 12 of the Agenda

The proposed Ordinary Resolution 11, if passed, will empower the Directors of the Company to exercise the power of the Company to purchase the Company Shares of not more than 10% of the total number of issued shares of the Company at any time within the time period stipulated in the ACE Market Listing Requirements by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a meeting of members, shall continue to be in full force until the conclusion of the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 30 April 2025 for further details.

Notes:

1. A member of the Company who is entitled to attend, speak and vote at this 21st AGM may appoint a proxy to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his(her) proxy without limitation.
2. Where a member appoints more than one (1) proxy to attend and vote at the same 21st AGM, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("**SICDA**"), he(she) may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.
4. Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

5. The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.

NOTICE OF TWENTY FIRST ANNUAL GENERAL MEETING (CONT'D)

6. *The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Share Registrar, GAP Advisory Sdn. Bhd. at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or email to ir.shareregistry@gapadvisory.my not less than forty eight (48) hours before the time appointed for holding the 21st AGM (no later than Tuesday, 17 June 2025 at 12.00 noon) or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid. Please refer to the Administrative Details for the 21st AGM.*
7. *The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.*
8. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 12 June 2025 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this 21st AGM.*
9. *Any alteration in the Proxy Form must be initialed.*
10. *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolution set out in the Notice of 21st AGM will be put to the vote by poll.*

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 21st AGM and/ or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 21st AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 21st AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty

**APPASIA BERHAD**

[Registration No. 200401005180 (643683-U)]

(Incorporated in Malaysia)

ADMINISTRATIVE DETAILS
TWENTY FIRST ANNUAL GENERAL MEETING OF APPASIA BERHAD

TO BE HELD AT GALLERY 2, LEVEL 1, CONCORDE HOTEL KUALA LUMPUR, NO. 2, JALAN SULTAN ISMAIL, 50250 KUALA LUMPUR, MALAYSIA ON THURSDAY, 19 JUNE 2025 AT 12.00 NOON

REGISTRATION

1. Registration will start at 12:00 noon and will remain open until the conclusion of the Twenty First Annual General Meeting ("**21st AGM**") or such time as may be determined by the Chairman of the meeting.
2. Please produce your original MyKad/Identification Card or Passport (for foreigners) during registration. Only original MyKad/Identification Card or Passport will be accepted for the purpose of the identity verification. Please ensure that you collect your MyKad/Identification Card or Passport thereafter.
3. No person will be allowed to register on behalf of another person with the original MyKad/Identification Card or Passport of that other person.
4. Upon verification and registration:
 - a. Please sign the Attendance List and QR code will be provided to you at the registration counter;
 - b. If you are attending the 21st AGM as a shareholder as well as a proxy, you will be registered once; and
 - c. No person will be allowed to enter the meeting hall without registration.
5. After registration, please vacate the registration area immediately and proceed to the meeting hall.
6. The registration counter will only handle verification of identity and registration of attendance.
7. Help desk support is available for any other enquiries/assistance/revocation of proxy's appointment.

DOOR GIFT

No door gift would be provided at the 21st AGM.

LODGEMENT OF PROXY FORM

1. If you are unable to attend the 21st AGM in person and wish to appoint the Chairman of the 21st AGM as your proxy to vote on your behalf, the instrument appointing proxy(ies) may be made in the following manner:
 - a) In hard copy form
Please deposit your proxy form at the office of the Poll Administrator, GAP Advisory Sdn. Bhd. ("**GAP**"), E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time of holding the 21st AGM, i.e. latest by Tuesday, 17 June 2025 at 12.00 noon Any alteration to the Form of Proxy must be initialled.
 - b) By electronic means
Please email to ir.shareregistry@gapadvisory.my not less than forty-eight (48) hours before the time of holding the 21st AGM, i.e. latest by Tuesday, 17 June 2025 at 12.00 noon Any alteration to the Form of Proxy must be initialled.
2. If you wish to participate in the 21st AGM yourself, please do not submit any proxy form for the 21st AGM. You will not be allowed to participate in the 21st AGM together with a proxy appointed by you.

REVOCATION OF PROXY

If you have submitted your Proxy Form prior to the AGM and subsequently decide to appoint another person or wish to participate in the 21st AGM yourself, please write in to ir.shareregistry@gapadvisory.my to revoke the earlier appointed proxy(ies) at least forty-eight (48) hours before the 21st AGM or proceed to the Help desk counter on the 21st AGM day to do proxy revocation. On revocation, your proxy(ies) will not be allowed to participate in the 21st AGM. In such event, you should advise your proxy(ies) accordingly.

DIGITAL COPIES OF 21ST AGM DOCUMENTS

As a part of our commitment to environmentally sustainable practices by reducing paper usage, the following documents can be accessed from our website at www.appasia.com:

1. Annual Report 2024
2. Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed Renewal of Share Buy-Back Authority for the Company to Purchase its own Ordinary Shares
3. Corporate Governance Report 2024
4. Notice of the 21st AGM
5. Proxy Form

VOTING AT MEETING

1. Voting will be conducted by poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed GAP as the Poll Administrator and Quantegic Services Sdn. Bhd. as the Independent Scrutineer to verify the poll results.
2. Voting for all the resolutions set out in the Notice of 21st AGM will take place concurrently after the relevant questions in respect of these resolutions have been addressed.

ENQUIRY

For any enquiries and administrative details relating to the meeting, please contact GAP during office hours from Monday to Friday (9.00 a.m. to 6.00 p.m.), detail as follows:

GAP Advisory Sdn. Bhd.

Address : E-10-4, Megan Avenue 1,
189, Jalan Tun Razak,
50400 Kuala Lumpur,
W.P. Kuala Lumpur, Malaysia

General Line : +60 3 2181 0516

Email : ir.shareregistry@gapadvisory.my

PERSONAL DATA POLICY

By resigning for the meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data by AppAsia Berhad (or its agents) for the following purposes:

1. For registration;
2. Communicate with the shareholders and proxy holders who participate at the 21st AGM;
3. Respond to the shareholders' and proxy holders' enquiries;
4. For internal record keeping;
5. Send promotional materials, advertisement for marketing purposes;
6. Publication of your personal information in any minutes, website, newsletter, brochure or any other materials which may be published internally or externally;
7. For processing and administration by the Company (or its agents); and
8. Comply with any laws, listing rules, regulations and/or guidelines.

The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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PROXY FORM



Number of Shares Held	
CDS Account No.	

I/We, _____ NRIC/Passport No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

contact no. _____ email address _____

being a member/ members of **AppAsia Berhad** ("**AppAsia**" or "**the Company**") hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Twenty First Annual General Meeting ("**21st AGM**") of the Company to be held at Gallery 2, Level 1, Concorde Hotel Kuala Lumpur, No. 2, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Thursday, 19 June 2025 at 12.00 noon, or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

IMPORTANT NOTE:

Please (i) tick [✓] either **ONE** of the option (a) or (b) for the number of proxy which you wish to appoint, (ii) complete the details of your proxy/proxies and the proportion of your shareholding to be represented (if applicable), (iii) please tick [✓] option (c) if you would like to appoint the Chairman of the 21st AGM as the proxy or failing the proxy to vote on your behalf and (iv) sign or execute this form.

Option	Name of proxy(ies)	NRIC/ Passport No.	Email Address & Phone Number	Proportion of shareholding to be represented
(a)	Appoint ONE proxy only (Please complete details of proxy below)			
				100%
(b)	Appoint MORE THAN ONE proxy (Please complete details of proxies below)			
Proxy 1				%
Proxy 2				%
				100%
(c)	The Chairman of the 21st AGM as my/our proxy and/or failing the above proxy to vote for me/us on my/our behalf			

My/our proxy/proxies is/are to vote as indicated below:

Please indicate with an "X" in the appropriate box provided to indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on the Resolutions, the proxy shall vote at his/her discretion, or abstain from voting as the proxy thinks fit.

NO.	RESOLUTIONS	FOR		AGAINST	
		PROXY 1	PROXY 2	PROXY 1	PROXY 2
	Ordinary Business				
Ordinary Resolution 1	To re-elect Toh Hong Chye				
Ordinary Resolution 2	To re-elect Yeong Siew Lee				
Ordinary Resolution 3	To re-elect George Tan Kan Chin				
Ordinary Resolution 4	To re-elect Huan Soo Wai				
Ordinary Resolution 5	To re-elect Tan Chiau Wei				
Ordinary Resolution 6	To approve the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries up to an aggregate amount of RM520,000.00 per annum until the next Annual General Meeting of the Company.				
Ordinary Resolution 7	To re-appoint Messrs TGS TW PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.				
	Special Business				
Ordinary Resolution 8	To approve Datuk Seri Rahadian Mahmud bin Mohammad Khalil to continue in office as an Independent Non-Executive Director				
Ordinary Resolution 9	To authorise the Directors to allot and issue shares or grant rights pursuant to Sections 75 and 76 of the Companies Act 2016				
Ordinary Resolution 10	To approve the proposed renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature				
Ordinary Resolution 11	To approve the proposed renewal of Share Buy-Back Authority				

Dated this ____ day of _____ 2025

Signature / Common Seal of Shareholder

Contact No: _____

Notes:

1. A member of the Company who is entitled to attend, speak and vote at this 21st AGM may appoint a proxy to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his(her) proxy without limitation.
2. Where a member appoints more than one (1) proxy to attend and vote at the same 21st AGM, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("SICDA"), he(she) may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.
4. Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
5. The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.
6. The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Share Registrar, GAP Advisory Sdn. Bhd. at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or email to ir.shareregistry@gapadvisory.my not less than forty eight (48) hours before the time appointed for holding the 21st AGM (no later than Tuesday, 17 June 2025 at 12.00 noon) or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid. Please refer to the Administrative Details for the 21st AGM.
7. The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.
8. In respect of deposited securities, only members whose names appear in the Record of Depositors on 12 June 2025 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this 21st AGM.
9. Any alteration in the Proxy Form must be initialed.
10. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolution set out in the Notice of 21st AGM will be put to the vote by poll.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 21st AGM and/ or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 21st AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 21st AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

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**Affix
Stamp**

GAP Advisory Sdn. Bhd.
[Registration No. 202001042098 (1398419-T)],

Share Registrar of

AppAsia Berhad [Registration No. 200401005180 (643683-U)]
E-10-4, Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia

Please fold here



(Registration No. 200401005180 (643683-U))

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