ALDRICH
Resources Berhad
200101019222 (554979-T)

ANNUAL REPORT
2023

Website us
https://aldrich.my/

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Abdul Rani Bin Achmed Abdullah
Executive Director

Chan Yok Peng
Executive Director

Er Kian Hong
Independent Non-Executive Director

Leong Yien Hung
Independent Non-Executive Director

AUDIT COMMITTEE

Chairperson
Er Kian Hong
Independent Non-Executive Director

Member
Leong Yien Hung
Independent Non-Executive Director

NOMINATION COMMITTEE

Chairman
Leong Yien Hung
Independent Non-Executive Director

Member
Er Kian Hong
Independent Non-Executive Director

REMUNERATION COMMITTEE

Chairperson
Er Kian Hong
Independent Non-Executive Director

Member
Leong Yien Hung
Independent Non-Executive Director

COMPANY SECRETARY

Tan Tong Lang
(MAICSA 7045482/
SSM PC No. 202208000250)

REGISTERED OFFICE

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan
Tel No. : +603-9770 2200
Fax No. : +603-2201 7774
Email : boardroom@boardroom.com.my

PRINCIPAL PLACE OF BUSINESS

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan
Tel No. : +603-9770 2200
Fax No. : +603-2201 7774

AUDITORS

Messrs Al Jafree Salihin Kuzaimi PLT
(LLP0006652-LCA & AF 1522)
No. 555, Jalan Samudra Utara 1
Taman Samudra
68100 Batu Caves
Selangor Darul Ehsan
Tel No. : +603-6185 9970
Fax No. : +603-6184 2524

PRINCIPAL BANKERS

CIMB Bank Berhad

SHARE REGISTRAR

Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan
Tel No. : +603-9770 2200
Fax No. : +603-2201 7774
Email : admin@aldpro.com.my

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad

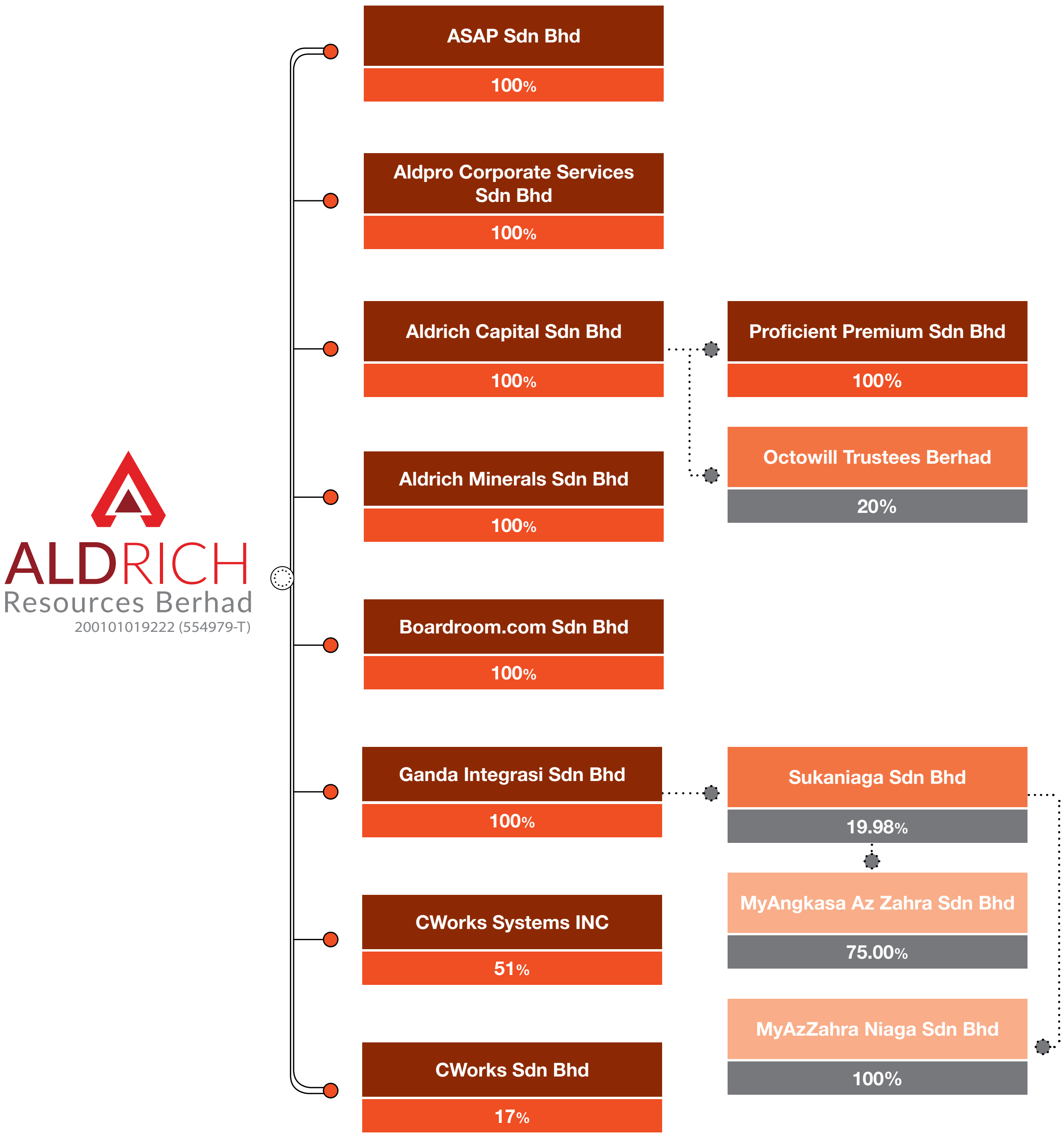
Stock name : ALRICH

Stock code : 0079

CORPORATE WEBSITE

www.aldrich.my

CORPORATE STRUCTURE



BOARD OF DIRECTORS' PROFILE

Yahya Bin Razali

Non-Independent Non-Executive Chairman

Nationality Malaysian **Age** 69 **Gender** Male

Yahya Bin Razali was appointed as an Independent Non-Executive Director of the Company on 3 August 2016. He was re-designated as Non-Independent Non-Executive Director on 3 August 2017 and assumed his present position as the Non-Independent Non-Executive Chairman on 29 October 2019.

He obtained his Bachelor of Science (Finance) from Southern Illinois University and Master of Business Administration from Berkeley, United States of America in 1982 and 1984 respectively.

He worked with the Ministry of Culture, Youth and Sports of Malaysia from 1977 to 1979. In 1984, he joined the United State Leasing Corporation, San Francisco, United States of America as a Financial Analyst. In 1986, he worked as a Consultant with Alexander Proudfoot Productivity Consultant Pte Ltd in Singapore. He also held the position of Investment Manager and Executive Director for Selangor Foundation and Grand United Holdings Berhad respectively from 1988 to 1993. He was the Fund Manager cum Associate Director for Spectrum Asset Management Sdn. Bhd., a licensed fund management company. He is also a Certified Financial Planner.

He does not hold any directorship in any other public companies and listed corporations. He has no family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries ("Group").

He has not been convicted of any offences within the past five (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 ended 31 December 2023.

BOARD OF DIRECTORS' PROFILE

(CONT'D)

Chan Yok Peng

Executive Director
Key Management

Nationality Malaysian **Age** 71 **Gender** Male

Chan Yok Peng was appointed as an Executive Director of the Company on 21 March 2022.

He graduated as a Mechanical Engineer from the University of Malaya in 1977. He is a Fellow Member of the Institution of Engineers Malaysia and is a Registered Professional Engineer with the Board of Engineers Malaysia.

In 1977, he joined Jurong Engineering Pte Ltd as a Project Engineer and was involved in the construction and maintenance work for Mamut copper mine (Ranau, Sabah) and Baturaja Cement Plant (Indonesia). In 1979, he joined FELDA as an Assistant Mill Manager for Air Tawar Palm Oil Mill (Johore). In 1980, he joined Esso Production Malaysia Inc. Offshore Division as a Project Supervisor and was assigned as the Company Representative for the Tapis offshore submarine pipeline and the Terengganu Crude Oil Terminal (Kerteh) Project. In 1984, He joined Tenaga Waja Sdn Bhd (a subsidiary of Singapore Wah Chang Group of Companies) as its General Manager to oversee its engineering and construction business for Petronas, Shell and other oil companies in Malaysia.

In 1985, he founded Sumatec Corporation Sdn Bhd ("Sumatec"), a Licensed Contractor for upstream and downstream engineering and construction works for Petronas and other oil and gas companies. Sumatec was listed on the Bursa Malaysia in 2003 as Sumatec Resources Berhad with business ranging from Turnkey Construction, Mining and shipping. He was the Group Managing Director of Sumatec Resources Berhad from 2003 to 2013 and 2015 to 2016.

Presently, he is a Director of an unlisted public company namely Octowill Trustees Berhad, and also sits on the board of several private limited companies. His interest in the securities of the Company is disclosed in the Annual Report. He has no family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

He has not been convicted of any offences within the past five (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 ended 31 December 2023.

BOARD OF DIRECTORS' PROFILE

(CONT'D)

Abdul Rani Bin Achmed Abdullah

Executive Director
Key Management

Nationality Malaysian **Age** 58 **Gender** Male

Abdul Rani Bin Achmed Abdullah was appointed an Executive Director of the Company on 1 August 2001.

He obtained his Bachelor of Electrical Engineering from Purdue University, United States of America in 1988 and a Master of Science in Engineering Business Management from Warwick University, United Kingdom in 2001. Recently, he has obtained his Doctor of Engineering in Engineering Business Management from Universiti Technologi Malaysia on 6 October 2023.

He started his career in 1989 as a Wireline Engineer for Schlumberger Overseas SA until 1991. He joined Racal Survey (M) Sdn. Bhd. as a Survey Engineer responsible for regional work from 1992 to 1995. In 1996, he operated his family-owned trading business. He then joined PROPEL-Johnson Controls Sdn. Bhd. ("PJC") in 1997. Before leaving PJC in 2000, he was the Head of Special Projects and MIS responsible mainly for the design, development, implementation and operation of information technology systems. He was also the Johnson Controls Inc's Computerised Maintenance Management Systems (CMMS) resource person for its Asia operations.

He does not hold any directorships in other public companies and listed corporations, but sits on the board of several private limited companies. His interest in the securities of the Company is disclosed in the Annual Report. He has no family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

He has not been convicted of any offences within the past five (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 ended 31 December 2023.

Er Kian Hong

Independent Non-Executive Director
Chairperson of Audit Committee and Remuneration Committee
Member of Nomination Committee

Nationality Malaysian **Age** 47 **Gender** Female

Er Kian Hong was appointed as an Independent Non-Executive Director of the Company on 21 March 2022. She is the Chairperson of Audit Committee and Remuneration Committee, and member of the Nomination Committee.

She graduated with a Bachelor of Accounting and Finance from the University of Technology, Sydney. Currently, she is a member of Australian Society of Certified Practising Accountants (CPA Australia), a Certified Practising Accountant.

She began her career in the audit and assurance division in Deloitte Malaysia, involved in statutory financial audits for public listed and private companies. She is currently attached with a boutique corporate advisory firm where she is involved in provision of advisory services to companies undertaking corporate exercises. She has vast experience in corporate finance and was involved in corporate exercises such as initial public offerings (IPO), fund raising and restructuring. She served in the Corporate Finance department of M&A Securities Sdn Bhd from May 2014 to December 2021. Prior to that, she was in the Corporate Finance/Strategy department of KSK Group Berhad from February 2007 to March 2014 where she was involved in the assessment and implementation of possible mergers and acquisition opportunities for KSK Group Berhad.

Presently, she is an Independent Non-Executive Director of several public listed companies namely Hextar Capital Berhad (formerly known as OPCOM Holdings Berhad), K. Seng Seng Corporation Berhad, SSF Home Group Berhad and Ajiya Berhad. She has no family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

She has not been convicted of any offences within the past five (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 ended 31 December 2023.

BOARD OF DIRECTORS' PROFILE

(CONT'D)

Leong Yien Hung

Independent Non-Executive Director
Chairman of Nomination Committee
Member of Audit Committee and Remuneration Committee

Nationality Malaysian **Age** 41 **Gender** Male

Leong Yien Hung was appointed as an Independent Non-Executive Director of the Company on 19 August 2022. He is the Chairman of Nomination Committee, and members of Audit Committee and Remuneration Committee.

He obtained his Bachelor in Computer Science from Coventry University, United Kingdom in 2003.

He has more than 10 years of experience in Malaysia's finance industry, in particularly in relation to full fledge financial services and alternative investment.

Presently, he is a member of Investment Committees of Proven Venture Capital, which is managed by 5 Pillars Ventures Sdn Bhd, a venture capital management corporation licensed by the Securities Commission Malaysia.

He is also a director and shareholder of Finicon Venture Sdn Bhd ("FVSB") and Proven Capital Sdn Bhd ("PCSB") where he is responsible in the corporate affairs and business development of FVSB and PCSB.

Presently, he is a Director of an unlisted public company namely Octowill Trustees Berhad. He has no family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

He has not been convicted of any offences within the past five (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 ended 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

Aldrich Resources Berhad ("Aldrich" or "the Company") and its subsidiaries ("the Group") operates across diverse sectors including corporate services, mineral resources, and moneylending business. Our overarching objective is to sustainably grow our business while delivering value to our stakeholders. We achieve this through strategic expansion, operational excellence, and prudent financial management.

Objectives and Strategies:

1. **Corporate Secretarial and Share Registration Services Segment (Boardroom.com Sdn Bhd and Aldpro Corporate Services Sdn Bhd):**

   Our objective is to solidify our position as a leading provider of corporate secretarial and share registration services. Our strategies include expanding our client base, enhancing service quality, and capitalizing on wider market opportunities. Increased professional staff will ensure superior client service and supports revenue growth.

2. **Mineral Resources Segment (Aldrich Minerals Sdn Bhd):**

   Leveraging on the Dolomite Quarry and silica sand mining business, our objective is to venture into the mineral mining which is a new and vibrant business and has become increasingly lucrative. Strategic alliances with major mining companies, capital investment and selective mining business will generate high revenue and profit. Expansion of exploration areas and acquisition of mining licenses will provide sustanability of our mining business. We are currently seeking Bursa Malaysia Securities Berhad's approval on our diversification into the mining business.

3. **Money Lending Segment (Proficient Premium Sdn Bhd):**

   Our objective is to diversify our revenue streams and capitalize on the fast development of the money lending market due to the current economic uncertainty. The acquisition of Proficient Premium Sdn Bhd is in alignment with this objective, offering revenue potential in the money lending business. Strategic alliance with co-operative institutions, trustee companies and other financial institutions will offer wide opportunities in the money lending business.

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

Analysis of Financial Results and Financial Condition

Revenue

For the financial year ended 31 December 2023 ("FY2023"), the Group registered a revenue of RM11.59 million. The previous financial year ended 31 December 2022 recorded a revenue of RM7.89 million. The increase in revenue was mainly due to the increase of sales contribution from Boardroom.com Sdn Bhd, Aldpro Corporate Services Sdn Bhd, Aldrich Minerals Sdn Bhd and Proficient Premium Sdn Bhd, which contributed RM5.73 million, RM1.91 million, RM3.26 million and RM0.24 million respectively.

Loss Before Tax

The Loss Before Tax was recorded at RM0.69 million in FY2023, compared to a Profit Before Tax of RM0.16 million in FY2022. Despite the Group experiencing significant revenue growth in FY2023 compared to the previous year, the Group incurred a Loss After Tax of RM1.14 million for FY2023. This was mainly due to the write-off of bad debts in FY2023.

Equity attributable to the owners of the Company as at FY2023 stood at RM22.47 million.

The Group has no borrowings for the financial year under review.

There was no payment of dividend during the financial year under review.

Capital Commitments

There is no capital commitments that had not been provided for in the audited statement of financial position as at 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

REVIEW OF OPERATING ACTIVITIES

Corporate Secretarial and Share Registration Services

The Group's corporate secretarial and share registration services play a vital role in supporting clients to navigate corporate compliance and administrative functions efficiently. These services encompass a range of offerings including company formation, compliance with company laws, maintenance of statutory records, share capital assistance, and governance services for various types of entities.

The corporate secretarial and share registration services market is witnessing growth driven by increasing compliance and disclosure requirements. Clients benefit from the efficiency and reliability offered by service firms, especially in addressing compliance needs. The cost-effectiveness of outsourcing these services, particularly for small and medium enterprises, enhances the appeal of corporate secretarial service firms. Moreover, the growing number of registered enterprises in Malaysia indicates a potential for increased demand for such services.

Mining Business

The Group's mining endeavors, including the Dolomite and Silica Sand Mining Project are aimed at securing high profitability in the mineral business. The Dolomite and Silica Sand Mining Project, operational since May 2022, is expected to generate significant revenue, contributing to the Group's financial performance in the coming years. The extension of the memorandum of understanding with Enrich Mining Sdn Bhd for the Kelantan Gold Project underscores our commitment to exploring and developing new mining opportunities especially in precious metals such as gold, silver and etc.

Enrich Mining Sdn Bhd had completed drilling 61 holes (57 recirculating holes and 4 diamond holes) in their exploration achats at Sejana Project with the aim of securing a JORC Technical Report and a Valmin Valuation Report with economically liable mineral resources (gold) for collaboration with our Company.

Money Lending Business

Proficient Premium Sdn Bhd, a subsidiary engaged in the money lending business, holds a valid money lending license issued by the Ministry of Housing and Local Government under the Moneylenders Act. This license authorizes Proficient Premium to undertake money lending activities, ensuring compliance with regulatory requirements.

Aldrich has successfully extended a corporate loan totaling RM2 million to a corporate entity involved in the property development company. This strategic move reflects our commitment to expanding our lending portfolio and diversifying revenue streams. By providing corporate loans, we aim to cater to the financing needs of businesses while maintaining prudent risk management practices.

The Group is leveraging its fintech solutions to penetrate the traditional financing sector and explore opportunities in micro-financing. By deploying automated platforms and alternative credit-scoring engines, the Group aims to expand its market presence domestically and regionally. Ongoing efforts in exploring collaborations with various fintech companies will ensure sustainable growth in this segment of business.

As we continue to navigate the evolving landscape of the money lending industry, we remain vigilant in monitoring market trends, assessing credit risks, and adapting our lending strategies accordingly. Our focus on responsible lending practices and adherence to regulatory guidelines ensures the sustainability and resilience of our money lending business segment.

Conclusion

In conclusion, the Group remains focused on maximizing value across its diverse operating segments. By capitalizing on market trends, pursuing strategic initiatives, and ensuring regulatory compliance, we are poised to drive sustainable growth and deliver value to our stakeholders in the coming years.

ANTICIPATED OR KNOWN RISKS AND MITIGATION CONSIDERATION

Aldrich operates across diverse sectors, including corporate secretarial and share registration services, mining, and money lending. As part of its Management Discussion and Analysis, the following overview provides insights into the anticipated or known risks associated with each business segment.

Corporate Secretarial and Share Registration Services:

Regulatory Compliance – Changes in regulations or non-compliance with existing laws could result in legal and financial liabilities for the Group. Keeping abreast of regulatory changes and ensuring compliance with relevant laws is crucial to mitigate this risk.

Client Dependence – Dependence on mainly public listed companies' ("PLC") client for a significant portion of revenue exposes the Group to the risk of revenue concentration. Diversifying the client base and reducing dependency on PLC clients can help mitigate this risk.

Competitive Landscape – Intense competition in the corporate services industry may lead to pricing pressures and reduced margins. Continuous innovation, differentiation, and maintaining high service quality are essential to stay competitive in the market.

Mining Business

Operational Risks – Mining operations are subject to various operational risks, including equipment failure, accidents, and natural disasters. Implementing stringent safety protocols and investing in robust risk management practices are crucial to mitigate these risks.

Commodity Price Volatility – Fluctuations in commodity prices, such as those of dolomite and gold, can significantly impact the profitability of mining operations. Hedging strategies and diversification of revenue streams can help mitigate the effects of price volatility.

Environmental and Social Impact – Mining activities may have adverse environmental and social impacts, leading to regulatory scrutiny, community opposition, and reputational damage. Adhering to environmental regulations, implementing sustainable mining practices, and engaging with local communities are essential to mitigate these risks.

Money Lending Business

Credit Risk – The primary risk in money lending business is credit risk, which arises from the potential default by borrowers on their loan obligations. Conducting thorough credit assessments, establishing prudent lending criteria, and implementing effective loan monitoring processes are essential to manage credit risk.

Interest Rate Risk – Money lending activities are sensitive to changes in interest rates, which can affect borrowing and lending costs. Interest rate risk management strategies, such as hedging and diversification of funding sources, can help mitigate this risk.

Regulatory Compliance – Money lending operations are subject to regulatory oversight, and non-compliance with regulations can result in legal and financial penalties. Staying updated on regulatory changes, maintaining compliance with lending laws, and implementing robust internal controls are critical to mitigate regulatory risks.

By proactively identifying and addressing these anticipated or known risks, Aldrich can enhance its resilience, protect its assets, and sustain long-term growth across its business segments.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

FORWARD-LOOKING STATEMENT

The Group's Prospects

Looking ahead, Aldrich maintains a positive outlook for its overall business prospects. Current initiative in widening its business streams into other strategic business will ensure sustainability of the Group in the years to come.

The Group anticipates sustained growth and resilience across its diverse business segments. With a focus on maintaining high service standards, adapting to regulatory changes, and leveraging market opportunities, Aldrich expects its principal business segments to continue contributing positively to its financial performance. The Group remains committed to sustainable profitability and enhancing shareholder value through prudent management practices and strategic investments.

In addition to its existing business segments, the Group is continuously exploring opportunities for expansion and diversification. This includes evaluating new business ventures or strategic investments that align with its core competencies and growth objectives. By leveraging emerging trends, technological advancements, and market insights, Aldrich seeks to capitalize on new growth avenues and unlock value for its stakeholders.

While the Group does not currently have a formal dividend or distribution policy in place, it remains attentive to shareholder interests and committed to maximizing long-term value. Factors influencing potential dividends or distributions include strong financial performance, positive cash flow generation, and the Group's capital allocation priorities for growth and expansion initiatives. The Board will continue to assess these factors prudently and evaluate the appropriateness of returning value to shareholders through dividends or other incentives as deemed in the best interests of the Group and its stakeholders.

SUSTAINABILITY STATEMENT

OUR APPROACH

At Aldrich Resources Berhad ("Aldrich" or "the Company"), sustainability is integral to our business strategy and operations. We are committed to creating long-term value for our stakeholders while balancing economic, environmental, and social considerations. Our sustainability approach is guided by the themes set out in the Sustainability Reporting Guide issued by the Exchange, ensuring that our Sustainability Statement contains information that is balanced, comparable, and meaningful.

In line with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide, the Group's sustainability practices are to ensure that economic, environmental and social risks and opportunities are tied in with our governance framework and social responsibilities. This also enables our corporate success and behavior to be judged and measured by the public.

In this respect, as a responsible corporate citizen, our mission is to ensure high standards of governance across our business to promote responsible business practices, manage environmental impacts, and meet the social needs of the community in which we operate.

OUR APPROACH ON SUSTAINABILITY
Embrace Sustainability in Organisation Culture
Strengthen the Core
Build Regional Global Connectivity
Foster a High Performance Organisation

Aldrich continued success in maintaining a sustainable business and generating long-term shareholder value is influenced by several internal and external factors. Each material factor presents unique risks and opportunities to our organization and is a key consideration in our approach to strategies formulation and execution as it substantially influences the assessments and decisions of our stakeholders. We regularly review these factors to assess their impacts on our business model over the near, medium, and long term.

OUR VALUE PILLARS

At Aldrich, we are guided by our core value pillars, which serve as the foundation of our operations and decision-making processes. These pillars represent the principles and beliefs that define who we are as an organization and how we conduct our business. Our value pillars are as follows:

ECONOMIC: Sustaining our economy

1. **Integrity and Transparency**

   We uphold the highest standards of integrity and transparency in all our dealings, adhering to ethical principles and legal regulations. Transparency is ingrained in our communication with stakeholders, ensuring accountability and trust.

2. **Excellence in Service**

   We are committed to delivering excellence in every aspect of our service, striving for continuous improvement and exceeding the expectations of our clients and stakeholders. Our dedication to quality and professionalism sets us apart in the industry.

3. **Innovation and Adaptability**

   We embrace innovation and adaptability as catalysts for growth and progress. By fostering a culture of creativity and openness to change, we stay ahead of industry trends, anticipate market shifts, and proactively seek new opportunities for innovation.

SUSTAINABILITY STATEMENT

(CONT'D)

ECONOMIC: Sustaining our economy (CONT'D)

4. Social Responsibility

We recognize our responsibility to society and the environment, actively seeking ways to make a positive impact on the communities we serve. Through corporate social responsibility initiatives, sustainable practices, and community engagement, we strive to create a better and more sustainable world.

5. Collaboration and Diversity

We value collaboration and diversity as essential drivers of success. By fostering an inclusive work environment that celebrates diversity of thought, background, and perspective, we harness the collective strength of our teams to achieve our shared goals.

Our management and human resources practices are integral to our organizational culture and are aligned with our broader mission and values. By prioritizing integrity, excellence, innovation, social responsibility, collaboration, and financial prudence in our management and human resources efforts, we create a workplace where employees are empowered to thrive, grow, and contribute to our shared success.

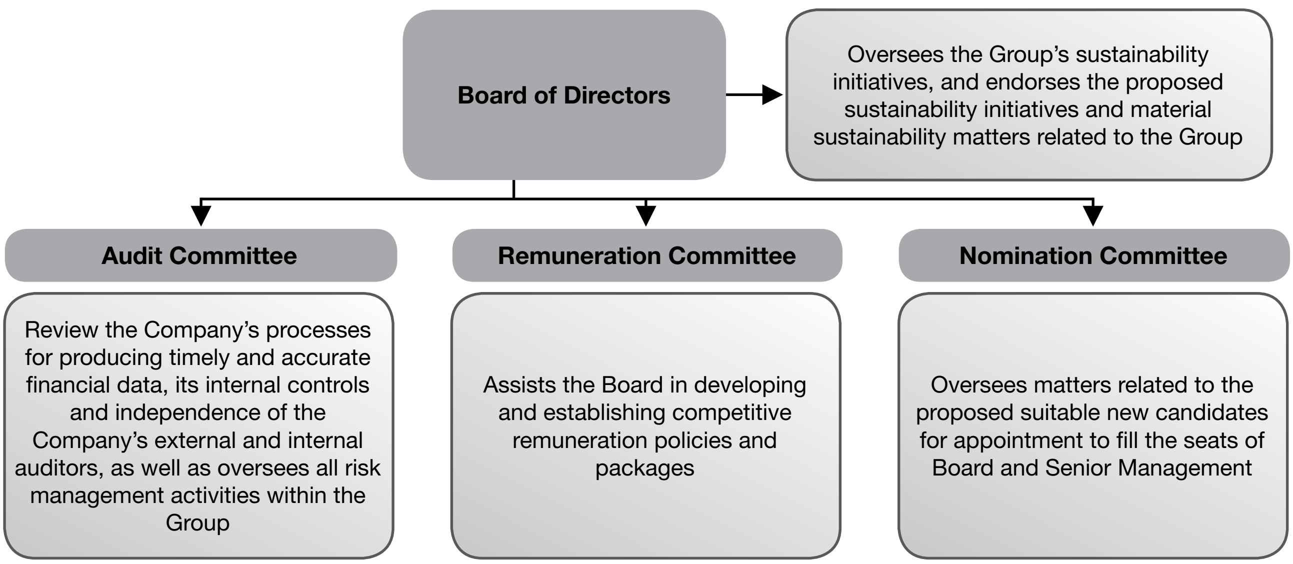
OUR SCOPE

This Statement covers Aldrich and its subsidiaries. Information disclosed in this Statement encompasses our core activities related to Corporate Secretarial and Share Registration services, Mining and Money Lending Business. This report covers data which had been compiled internally from 1 January 2023 to 31 December 2023.

Corporate Governance

Sustainability is embedded in our organisational approach and is led from the top. The Board of Directors ("Board") plays a vital guidance and oversight role in advancing sustainability across the organisation with the assistance from the Senior Management to oversee the implementation of the organisation's sustainability approaches and ensures that key targets are being met.

The Board also acknowledges that risk management and internal control are integral to our corporate governance and that it is responsible for establishing a sound risk management framework and internal control system as well as to ensure their adequacy and effectiveness. The review of the adequacy and effectiveness of the risk management framework and the system of internal control is delegated by the Board to our Audit Committee. Asides, the Group's performance is also tracked with the assistance of Nomination Committee and Remuneration Committee.



OUR SCOPE (CONT'D)

Corporate Governance (Cont'd)

The responsibility of the Board to promote and embed sustainability in the Group includes overseeing the following:

- Stakeholders engagement;
- Materiality assessment and identification of sustainability risks and opportunities relevant to us; and
- Management of material sustainability risks and opportunities.

Ethical Business Practices

The Board recognizes the importance of ethical business conduct across the operations to maintain our stakeholders' trust. Code of Business Conduct and Ethics is established to achieve a standard of ethical behaviour based on trustworthiness and values that can be accepted and uphold a spirit of responsibility. Our Whistle-Blowing Policy, uploaded on our website, provides all stakeholders a direct channel for reporting instances of misconduct that contradict to our Code of Business Conduct and Ethics and/or other non-compliance offences.

Good governance is the bedrock of our business, led by ethical business practices and integrity. We have embedded the highest standards of governance in our business not only by complying with the law but through processes and directives that continue to reinforce the principles.

MATERIAL ECONOMIC, ENVIRONMENTAL, AND SOCIAL RISKS AND OPPORTUNITIES

Economic Impact

We recognize the importance of maintaining financial stability and profitability to sustain our business operations and drive growth.
Key economic risks include market volatility, regulatory changes, and economic downturns, which may impact our revenue streams and profitability.
Opportunities lie in identifying new revenue streams, expanding market presence, and enhancing operational efficiency to drive sustainable economic growth.

Environmental Sustainability

As a responsible corporate citizen, we are committed to minimizing our environmental footprint and promoting sustainable practices across our operations.
Key environmental risks include climate change impacts, resource depletion, and pollution, which may affect our operations and reputation.
Opportunities exist in adopting renewable energy sources, implementing waste reduction initiatives, and engaging in eco-friendly practices to mitigate environmental risks and contribute to a healthier planet.

Social Responsibility

We recognize our role in fostering inclusive growth, supporting communities, and promoting social well-being.
Key social risks include labor issues, human rights violations, and community conflicts, which may impact our social license to operate.
Opportunities arise from investing in employee development, promoting diversity and inclusion, and supporting community development initiatives to create positive social impact and enhance stakeholder trust.

SUSTAINABILITY STATEMENT

(CONT'D)

MATERIAL ECONOMIC, ENVIRONMENTAL, AND SOCIAL RISKS AND OPPORTUNITIES (CONT'D)

Shareholders

Our shareholders are the ultimate owners of the Company and as such, they are entitled to timely and quality information on the Group's financial performance and position. Apart from the Annual General Meeting and/or Extraordinary General Meeting where shareholders are encouraged to ask questions to the Board and Executive Management on business operations, and the financial performance and position of the Group, the Group's corporate website at www.aldrich.my also provides a link on investor relations where quarterly and annual financial statements, announcements, financial information, annual reports, circulars/statements to shareholders and other pertinent information are uploaded on a timely basis when available.

Customers and Services

The Group is committed to see that not only our shareholders' interests are taken of but also those of our customers and suppliers. In this regard, the Group values its customers as they are a major reason for its profitability. Our marketing and sales representatives schedule regular meetings, both formal and informal, with our customers to build a strong and conducive relationship. The objective of this is to promote a culture of open communication, trust and reliability.

Our Group recognizes that customers' satisfaction is one of the key factors underlying the long-term sustainability of our Group's operations. It is the fundamental policy of our Group that all final products and software launched into the market must not contain any hazardous element, and the professional advise must be of high quality and accurate to ensure customers' satisfaction. We uphold the belief that customers rights should be preserved at all times and are on continuous endeavors to create value-for-money for our customers, ensuring our customers are always comply with all regulatory requirements, saving our customers money, improving their bottom line and enhancing their overall operational and management variables. We also wish to be a responsive and reliable partner to our customers within their respective markets.

Suppliers

To our suppliers, we are committed to enhance our processes and engaging with our suppliers to identify and manage risks, underpinned by values of integrity and transparency. We look to create value, by looking for opportunities to collaborate and to share best practices with our suppliers. Hence, our suppliers are filtered through careful selection ensuring only the one with specific criteria met are engaged.

Regulatory Compliance

Our Group believes that strict compliance with all relevant laws and regulations is a requisite to promote an ethical and responsible society. To this end, our Group strives to comply with all the relevant laws and regulations applicable to our business operations. Recognizing the fact that tax is an important source of income for the government to finance the nation development activities and that everyone will stand to benefit as the nation and economy progress further, our Group places great emphasis in ensuring compliance with the applicable tax regulations and prompt settlement of our tax liabilities. Our Group's commitment to proper compliance with laws and regulations has proven to be favorable and value-enhancing for our shareholders and stakeholders.

Environment

Although we generally do not generate any major environmental concerns, the Group is conscious of complying with all applicable environmental laws, guidelines and regulations.

Action has also been taken to reduce the overall energy consumed by lighting. Where lighting in and around our office facilities and corridors need to be replaced, we have converted them to LED. The process is on-going and in stages. Furthermore, Management will be initiating the provision of reminders to switch off lighting, air-conditioner and computer when not in use.

MATERIAL ECONOMIC, ENVIRONMENTAL, AND SOCIAL RISKS AND OPPORTUNITIES (CONT'D)

Environment (Cont'd)

Water is a limited resource, and as the world continues to advance and the global population continues to grow, an increasing strain is being placed on the supply of clean water. Water conservation is therefore an area that our Group is working hard on, both improving the efficiency with which we use our water, as well as working to educate our employees and the public about the need to conserve it.

Waste Management

Paper recycling initiatives are already in progress by encouraging the employees to prioritize electronic means to share and store documents, and to reduce printing or photocopying, otherwise, to use double-sided printing. Additionally, other materials such as furnishing, and fixture are recycled or reused where possible.

Waste segregation has been done by placing different bins in and around our office area. Waste segregation is planned to be fully implemented in the coming years throughout the Group where recycling stations will be set up in convenient locations.

Employees

In Aldrich, employees are our greatest assets. We are made up of people with vast experience and industry background. Building capability is key, hence we proactively provide opportunities for growth and development for talent in the organization through targeted development plans and succession planning. Ensuring our long-term sustainability, we continuously invest time and effort in recruiting (internal and external), upskilling, engaging and rewarding talents/employees of the organization accordingly.

We will continue to focus on human capital development to nurture our employees to their full potential. The Group also recognizes that the Industrial Revolution 4.0 will place pressure in organizations to continuously upskill and reskill our workforce, to stay relevant and productive, so that they can execute their roles and responsibilities efficiently. Employees are encouraged to attend internal or external training or pursue professional development to enhance their knowledge and skill for career enhancement and personal development, in the field of operational, financial, human resource management, technical skills, and others.

For critical and leadership roles, succession planning is vital to our long-term performance as part of our Group's sustainability move. Our Nomination Committee will review the Group's human resources plan including the succession management framework and activities, human resources initiatives such as jobs and salary review, and the annual manpower budget. The succession planning across the Group is implemented by stages and training programmes are designed specifically for management staff.

The Group recognized that the safety and well-being of its employees is the foundation of its success. Hence, we strive to provide a safe and healthy environment for our employees and to ensure safe practices in all aspects of our business operations.

In addition to the day-to-day motivation measures, it is the Group's tradition to have Hari Raya Aidilfitri, Chinese New Year, Deepavali, and Christmas & New Year celebrations and it's represented a big part of our culture to foster stronger relationships amongst the staff across generations, as well as business associates to mingle around and celebrate the year past, while celebrating the festival.

We are supporting our employees to alleviate anxiety through virtual interactions such as:

- Offering new virtual solutions that make it easy to implement and support employees to work-from-home
- Increasing access to video-conferencing to allow for virtual meetings to keep employees connected around the world
- Offering flexible work hours to allow employees to tend to child or elder-care responsibilities

SUSTAINABILITY STATEMENT

(CONT'D)

MATERIAL ECONOMIC, ENVIRONMENTAL, AND SOCIAL RISKS AND OPPORTUNITIES (CONT'D)

Employees (Cont'd)

By taking positive actions around health and well-being, we are putting people first, and that is an investment that's likely to build employee loyalty, raise engagement and enhance productivity. We are likely to include telecommuting as an essential work arrangement option for the remainder of this year. We are also considering broadening the current programs such as enhancing virtual care or helping our employees to set up an ergonomic workstation at home.

Community

Our Group strongly believes in giving back to society and hence Aldrich had always devoted to philanthropy. We are deeply rooted in the community we operate and hence we actively engage in community outreach programs and activities. We are proud of having the privilege to serve various segments of the community towards providing for social empowerment and helping to make a positive difference for people across all walks of life. We have from time to time made donations to various charitable organization, helping the less fortunate members of our community is our way of giving back to society.

OUR COMMITMENT

As a responsible corporate citizen, the Group shall endeavor to undertake sustainable and responsible practices to add value to sustainable business growth, environmental stewardship, and social responsibility.

Rewarding our shareholder	**Sustaining long term value**	**Advancing our business**	**Investing in our human resources**	**Contributing to society**
Dividends	Investment in our resources to ensure long-term benefits to our various stakeholders	Reinvestment and diversification	Competitive remuneration, compensation, benefits and trainings	Continued upliftment of our society's well-being through taxes and donations

AUDIT COMMITTEE REPORT

MEMBERS OF AUDIT COMMITTEE

The Audit Committee ("**AC**" or the "**Committee**") of Aldrich Resources Berhad (the "**Company**") comprises two (2) members and all of whom are Independent Non-Executive Directors. The Chairperson of the AC, Ms. Er Kian Hong is a member of Australian Society of Certified Practising Accountants and has more than three (3) year's working experience in audit and finance field.

All members of the AC are financially literate with sufficient financial experience and ability to assist in discharging the fiduciary duties of the Board of Directors ("**Board**"). However, the current composition did not comply with Rule 15.09(1)(a) of the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**") by having the minimum number of the AC members. The Company is actively looking for a suitable candidate to fill up the vacancy within three (3) months from the demised of late Dato' Ir. Zainurin Bin Haji Karman on 2 March 2024.

The members of the AC and details of their attendance at the five (5) meetings held during the financial year ended 31 December 2023 ("**FY2023**") are as follows:

Designation	Directors	Number of Meetings Attended
Chairperson	Er Kian Hong	5/5
Member	Leong Yien Hung *(appointed as member w.e.f. 11 May 2023)*	3/3

The past members of the AC and their attendances during the FY2023 are as follows:

Designation	Directors	Number of Meetings Attended
Chairman	Rahimi bin Ramli *(resigned w.e.f. 31 July 2023)*	3/3
Member	Adnan bin Zainol *(resigned w.e.f. 11 May 2023)*	2/2
Member	Dato' Ir Zainurin bin Haji Karman *(appointed w.e.f. 21 November 2023 and demised on 2 March 2024)*	–

TERMS OF REFERENCE ("TOR")

The TOR of the AC can be accessed from the Company's website at www.aldrich.my.

MEETINGS AND MINUTES

The AC will meet at least four (4) times a year with additional meetings to be held, if necessary. If need arises, meetings will be attended by the Management, Advisers, Internal and/or External Auditors. During FY2023, the AC convened five (5) meetings and the record of attendance is shown above.

The meetings are pre-scheduled and organised before the Board meetings. Issues are deliberated during AC meetings before arriving any decisions, conclusions or recommendations to be brought to the attention of the Board. The minutes of each AC meeting are properly minuted by the Company Secretary and tabled to the AC for adoption at the following quarterly AC meeting. Subsequently, all minutes of AC meetings are presented to the Board for notation.

The Chairman of the AC reported the AC's recommendations to the Board for its consideration, approval and implementation as well as highlighted to the Board significant matters and resolutions deliberated by the AC at the Board meeting held immediately subsequent to the relevant AC meeting.

AUDIT COMMITTEE REPORT

(CONT'D)

SUMMARY OF ACTIVITIES

In accordance with the approved TOR of the AC, the AC carried out the following activities during FY2023:

1. Reviewed the unaudited quarterly results and annual audited financial statements of the Group and the Company. Discussion focused particularly on any change in accounting policies and practices, significant adjustments arising from the audit and compliance with accounting standards and other legal requirements where explanations, clarifications and corrective action taken for significant variances are reported by the Management to the AC before recommending to the Board for approval and release of the announcements to Bursa Malaysia;

2. Reviewed the audit planning memorandum of the Group for FY2023;

3. Reviewed and discussed with the External Auditors the nature and scope of the audit plan and ensure that the audit plan is comprehensive;

4. Recommended the re-appointment of the External Auditors and audit fee to the Board, after taking into consideration the technical competency, suitability, independence and objectivity of the External Auditors and cost effectiveness of the audit;

5. Reviewed the External Auditors' report on the status of the audit for FY2023;

6. Considered the findings arising from the statutory audit activities conducted by the External Auditors and Management's responses thereto;

7. Reviewed with the Internal Auditors, the Internal Audit Plan to ensure the adequacy of the scope, functions and resources and that it has the necessary authority to carry out its work;

8. Reviewed the internal audit reports which outlined the recommendations towards remediating areas of weakness, improving internal controls and ensuring the implementation of the management action plans to address issues found;

9. Reviewed the audit fees and non-audit fees payable to the external auditors based on the approved audit plan and non-audit services for the Group and the Company and recommended the same to the Board for approval;

10. Conducted at least one (1) private meeting with the External Auditors, without the presence of the Executive Directors and Management, to give the external auditors the opportunity to raise any matters of concern and, arising therefrom, directed Management to take further action on such matters;

11. Reviewed and approved the internal audit plan and scope of work for the Group and the Company to ensure adequacy of resources and competencies of the Internal Auditors to carry out the internal audit on all significant businesses and support functions based on identification and evaluation of the respective risks and control environment;

12. Reviewed the internal audit reports comprising audit findings, recommendations and Management responses for the Group and the Company;

13. Reviewed the reports prepared by the Internal Auditors relating to the follow-up audits on all major areas of concern and recurring issues and risk areas to assess the extent to which the Management has made progress in implementing the agreed action plans arising from the prior internal audit reviews;

14. Reviewed the performance, independence, objectivity and suitability of Internal Auditors before recommending their re-appointment to the Board for approval;

15. Reviewed if there are any transactions with related parties and/or involving conflicts of interest situation entered by the Group. The AC noted that none of the Directors had entered into any related party transactions and involve in any conflict of interest situation during FY2023;

SUMMARY OF ACTIVITIES (CONT'D)

In accordance with the approved TOR of the AC, the AC carried out the following activities during FY2023: (Cont'd)

16. Reviewed the Statement on Risk Management and Internal Control, Sustainability Statement and AC Report to be published in the Annual Report;

17. Tabled the approved Minutes of the AC meetings to the Board for notation on a quarterly basis; and

18. Reported to the Board on significant matters and resolutions deliberated by the AC.

INTERNAL AUDIT FUNCTION

The internal audit services for FY2023 were provided by Messrs. Socialgreen Governance Sdn Bhd (formerly known as T&S Governance Sdn Bhd) ("**Socialgreen**"), an outsourced Internal Auditors. Socialgreen is independent of management and operations. All the internal auditors carried out their functions according to the standards set by recognised professional bodies.

Socialgreen provides independent and objective assessment on the adequacy and effectiveness of the governance, risk management and internal control processes within the Group. Through Socialgreen, the Company undertakes regular and systematic reviews of the risk management and internal controls system so as to provide reasonable assurance that such internal controls system continues to operate adequately and effectively in the Group.

During FY2023, Socialgreen had conducted a comprehensive internal control review in relation to the Sales and Marketing Function of Boardroom.com Sdn Bhd, a wholly-owned subsidiary of the Company in respect of the adequacy and effectiveness of the sales and marketing function in acquiring and retaining corporate clients while ensuring alignment with industry standards and regulations.

The total cost incurred for the internal audit function of the Group for FY2023 was RM15,371.00.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the "**Board**") of Aldrich Resources Berhad (the "**Company**") presents this statement to provide shareholders and investors with an overview of the corporate governance ("**CG**") practices of the Company under the leadership of the Board during the financial year ended 31 December 2023 ("**FY2023**"). This overview takes guidance from the key CG principles as set out in the Malaysian Code on Corporate Governance 2021 ("**MCCG**").

This statement is prepared in compliance with ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**") and it is to be read together with the CG Report 2023 of the Company ("**CG Report**") which is available on the Company website at www.aldrich.my.

The Board is pleased to set out below the CG Overview Statement that describes the manner in which the Group has applied the practices of the Code during the FY2023.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

The Board is always mindful of its responsibilities to the Company's shareholders and various stakeholders for creating and delivering sustainable value and long-term success through its leadership and management of the Company's businesses, in pursuing the commercial and regulatory objectives and goals of the Company.

To this end, the Board determines the strategic objectives and policies of the Group for delivery of such long-term value. It ensures effective leadership through oversight on management and robust monitoring of the activities, performance, conformance capabilities and control in the organisation. In setting the strategic direction, the Board also ensures that there is an appropriate balance between promoting long-term growth and delivering short-term objectives.

In order to ensure orderly and effective discharge of the functions and responsibilities of the Board, the Board delegates specific powers and responsibilities to the Executive Directors and the following Board Committees: -

- Audit Committee ("**AC**")
- Nomination Committee ("**NC**")
- Remuneration Committee ("**RC**")

The Board Committees are guided and operate within clearly defined Terms of Reference ("**TOR**") and their written TORs are made available on the Company's website at www.aldrich.my.

CHAIRMAN

The Chairman of the Board, Encik Yahya Bin Razali, who is a Non-Independent Non-Executive Chairman ("**Chairman**"), is responsible for ensuring the integrity and effectiveness of the Board's governance process, acts as a facilitator at the meetings and ensures that Board proceedings comply with good conduct and best practices.

SEPARATION OF THE POSITIONS OF THE CHAIRMAN AND EXECUTIVE DIRECTORS

There is a clear separation of functions between the Chairman and Executive Directors in order to maintain a balance of control, power and authority within the Group. The Non-Executive Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board. The Board has delegated its responsibilities for day-to-day management of the Group's operations and business as well as the implementation of the Board's policies and decisions to the Executive Directors of the Company.

Encik Yahya Bin Razali was appointed as an Independent Non-Executive Director on 3 August 2016. He was re-designated as Non-Independent Non-Executive Director on 3 August 2017 and assumed his present position as the Non-Independent Non-Executive Chairman on 29 October 2019.

The position of the Executive Directors was assumed by Dr Abdul Rani Bin Achmed Abdullah and Mr. Chan Yok Peng with effect from 1 August 2001 and 21 March 2022 respectively.

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

CHAIRMAN OF THE BOARD SHOULD NOT BE A MEMBER OF THE BOARD COMMITTEES

The Board complies with Practice 1.4 of the MCCG whereby the Chairman of the Board is not a member of Audit Committee, Nominating Committee or Remuneration Committee. This is to enable the Chairman to exercise his independence and objective view, and also to provide suggestions to the Board Committee based on his vast experiences.

QUALIFIED AND COMPETENT COMPANY SECRETARY

The Board members have full access to the Company Secretary who provide advisory services to the Board, particularly on corporate administrative and governance issues including compliance to the relevant rules/procedures, laws and regulatory requirements.

The Company Secretary is also advising the Board of their obligations and adherence to matters pertaining to disclosure of interest in securities, disclosure of any conflict of interest in a transaction involving the Company, prohibitions on dealing in securities and restrictions on disclosure of price-sensitive information.

The duties of the Company Secretary, amongst others, including attending all Board and Board Committee Meetings, ensuring that the proceedings of Board and Board Committees Meetings and decisions made thereof are accurately and sufficiently recorded and properly kept for the purposes of meeting statutory obligations as well as obligations arising from AMLR of Bursa Malaysia or other regulatory requirements, communicating the decisions of the Board for Management's attention and further action, ensuring all corporate governance procedures of Directors are in accordance with the relevant legislations and properly executed.

ACCESS OF INFORMATION AND ADVICE

The meeting materials of each Board meeting were given to all the Directors at least seven (7) days in advance prior to the respective meeting. Reasonable time were given to Directors to review the Board papers so that matters arising could be properly deliberated at the Board meetings and appropriate decisions could be made by the Board.

The Directors have access to the advice and services of the Company Secretary and where necessary, obtain independent professional advice at the Group's expense.

COMPANY'S POLICIES

a) Board Charter

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

The Board Charter is available on the Company's website at www.aldrich.my.

b) Code of Conduct and Ethics

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

The Code of Ethics is available on the Company's website at www.aldrich.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

COMPANY'S POLICIES (CONT'D)

c) Whistle-blowing Policy

The Board has established a Whistle-blowing Policy, available for viewing on the Company's website at www.aldrich.my.

The Board is committed to promote and maintain high standard of integrity, openness and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner. An important aspect of accountability and transparency is the existence of a mechanism to enable employees of the Group to voice their concerns in a responsible and effective manner.

The Company provides avenue for all employees and members of the public to disclose any improper conduct in accordance with the procedures as provided for under this policy to provide protection for employees and members of the public who report such allegation. This is also to provide protection for the whistleblower from reprisal as a direct consequence of making a disclosure and to safeguard such person's confidentiality.

The AC has the overall responsibility in overseeing the implementation and monitoring of the Whistle-blowing Policy and ensuring its effective administration.

d) Anti-Bribery and Anti-Corruption Policy

The Group is committed to conduct business in an ethical and honest manner while upholding zero-tolerance position on bribery and corruption and hence has adopted an Anti-Bribery and Anti-Corruption Policy. The Anti-Bribery and Anti-Corruption Policy is available on the Company's website at www.aldrich.my.

e) Directors' Fit and Proper Policy

The Board adopted a Directors' Fit and Proper Policy to ensure that Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders. The Directors' Fit and Proper Policy is available on the Company's website at www.aldrich.my.

BOARD COMPOSITION

The Group is currently led and managed by an experienced Board with a wide range of business, legal, finance, accounting, economics, technical background, skills and experience necessary for the effective stewardship of the Group.

As at the date of this statement, the Board consists of five (5) members, comprising one (1) Non-Independent Non-Executive Chairman, two (2) Executive Directors and two (2) Independent Non-Executive Directors. The current composition complies with Rule 15.02 of the AMLR of Bursa Malaysia that 1/3 of the Board are independent directors and one (1) director is a woman director.

The Independent Non-Executive Directors are actively involved in various Board Committees and contribute to areas such as performance monitoring and enhancement of corporate governance and internal controls. They ensure that views, considerations, judgment and discretion exercised by the Board in decision-making remain objective and independent whilst ensuring the interests of other parties such as minority shareholders are adequately addressed and protected, and their views are being given due consideration. This provides effective checks and balances in the functioning of the Board and reflects the Company's commitment to uphold excellent corporate governance.

The Board does not have any boardroom diversity policies in terms of gender as it believes that every candidate for the Board should be given fair and equal treatment. The Board believes that candidature to the Board should be based on a candidate's merits, capability, experience, skill-sets and integrity.

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

BOARD MEETINGS

The Board meets at least four (4) times a year and has a formal schedule of matters reserved for it. Additional meetings are held as and when necessary. During FY2023, five (5) meetings were held in which the Board deliberated upon and considered various issues including the Groups' financial results, annual budgets, performance of the Group's business, major investment, business plan and policies and strategic issues affecting the Group's business.

The following is the record of attendance of the Board Members:

	Name of Directors	Attendance
a)	Yahya bin Razali	5/5
b)	Chan Yok Peng	5/5
c)	Abdul Rani bin Achmed Abdullah	5/5
d)	Er Kian Hong	5/5
e)	Leong Yien Hung	4/5
f)	Mohamad Shaharul Bin Mohamad Shariff *(demised on 8 July 2023)*	3/3
g)	Rahimi Bin Ramli *(resigned w.e.f. 31 July 2023)*	3/3
h)	Adnan Bin Zainol *(resigned w.e.f. 11 May 2023)*	2/2
i)	Dato' Ir. Zainurin Bin Haji Karman *(appointed w.e.f. 21 November 2023 and demised on 2 March 2024)*	–

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

DIRECTORS' TRAININGS

The Board acknowledges that continuous education is vital for the Board members to gain insight into the state of economy, technological advances, regulatory updates and management strategies to enhance the Board's skills and knowledge in discharging its responsibilities. In addition to the Mandatory Accreditation Programme as required by Bursa Malaysia, the Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors. The NC will assess the training needs of the Directors and ensure Directors have access to continuing education programmes

During the FY2023, the Board have been briefed on the relevant changes arising from the implementation of the amendments to the AMLR of Bursa Malaysia at the Board and Board Committees meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

DIRECTORS' TRAININGS (CONT'D)

Besides the above briefing, the Directors have also attended the following seminars during the FY2023 to further enhance their knowledge and skills:-

Name of Directors	Seminars/ Conferences/ Training Programmes Attended
Yahya bin Razali	- Environmental, Social and Governance (ESG)
Chan Yok Peng	- Conflict of Interest and Governance of Conflict of Interest - Environmental, Social and Governance (ESG)
Abdul Rani bin Achmed Abdullah	- Environmental, Social and Governance (ESG)
Er Kian Hong	- ICDM Powertalk Series: Advancing Cyber Resilience: Board's Top 3 Must-Knows - Anti Bribery Managemeny System Training and Updates to the MACC Act 2009 - ICDM PowerTalk: Generative AI – An Opportunity or Risk? - Advocacy Session for Directors and CEOs of Main Market Listed Issuers - Management of Cyber Risk - AMLA in a nutshell - Ethics and the Financial Services Professional - Financial Statement Frauds - Malaysia's Code of Corporate Governance - Environmental, Social and Governance (ESG)
Leong Yien Hung	- Environmental, Social and Governance (ESG)

RE-ELECTION OF DIRECTORS

In accordance with the Clause 134 of the Constitution of the Company, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office once at least in each three (3) years but shall be eligible for re-election at the Annual General Meeting in every subsequent year.

Pursuant to Clause 119 of the Company's Constitution, any Director so appointed shall hold office until the next Annual General Meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting. Whereas, pursuant to Clause 134 of the Company's Constitution, one-third of the Directors for the time being, or if the number is not three (3) or a multiple of three (3) then the number nearest one-third, shall retire from office provided always all Directors including a Managing Director or Deputy Managing Director shall retire from office once at least in each three (3) years but shall b eligible for re-election. A retiring Director shall retain office until the close of the meeting at which his retires.

On 22 April 2024, the NC had reviewed and recommended the re-election of the following Directors who are retiring pursuant to Clause 134 of the Company's Constitution, and being eligible, offered themselves for re-election:-

- Mr Chan Yok Peng
- Dr Abdul Rani bin Achmed Abdullah

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

TENURE OF INDEPENDENT DIRECTORS

The Board's commitment to assessing the independence of Independent Directors annually is crucial for upholding corporate governance standards and ensuring the Board's effectiveness. The adoption of best practices in this regard, including limiting the cumulative term of Independent Directors to nine (9) years and seeking annual approval from shareholders for those who have reached this limit, demonstrates the Board's dedication to maintaining independence and accountability.

The annual assessment process, overseen by the NC, evaluates various factors to determine the independence of each Independent Director. These factors typically include the absence of any conflicts of interest, the Director's ability to exercise independent judgment, and their commitment to acting in the best interests of the Company and its stakeholders.

Taking into consideration interests disclosed by each Independent Director and having regard to the criteria for assessing the independence of Directors under the annual Board assessment and the AMLR, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interests of the Company during deliberations at Board meetings.

NOMINATION COMMITTEE

The NC comprises exclusively of two (2) Independent Non-Executive Directors and the meeting attendance of the NC Members is as follows:-

Designation	Directors	No. of meetings attended
Chairman	Leong Yien Hung *(appointed as Chairman w.e.f. 11 May 2023)*	1/1
Member	Er Kian Hong	2/2

The past member of NC and their meeting attendance for the FY 2023 is as follows:-

Designation	Directors	No. of meetings attended
Chairman	*Adnan Bin Zainol* *(resigned w.e.f. 11 May 2023)*	1/1
Member	Rahimi Bin Ramli *(resigned w.e.f. 31 July 2023)*	1/1
Member	Dato' Ir. Zainurin Bin Haji Karman *(appointed w.e.f. 21 November 2023 and demised on 2 March 2024)*	–

The main responsibilities of the NC are as follows: -

- Nominate new nominees for appointment to the Board and Board Committees for the Board's consideration.
- Review and recommend to the Board the appointment of any Directors and Senior Management within the Group.
- Evaluates and determines the training needs for each of the Directors in order to enhance the skills of the Directors and aid them in the discharge of their duties as Directors.
- Annually review the Board's required mix of skills, experience and other qualities, including core competencies, which the Independent Non-Executive Directors should bring to the Board.
- Annually review and assess the effectiveness of the Board and Board Committees and performance of the Directors of the Company both individually and collectively.
- Annually review and assess independence of the Independent Non-Executive Directors.
- Annually review the term of office and performance of the Audit Committee and each of its members to determine whether such Audit Committee and its members have carried out their duties in accordance with their terms of reference

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

NOMINATION COMMITTEE (CONT'D)

The activities undertaken by the NC are listed below:-

- Reviewed and recommended the appointment of Independent Non-Executive Director to the Board for approval.
- Assessed and evaluated the independence of the Independent Non-Executive Directors.
- Annual assessment and rating of the performance of each Independent Non-Executive Director against diverse key performance indicators.
- Annual assessment and rating of the performance of the Executive Directors against the criteria as set out in the evaluation forms.
- Annual assessment and rating of the performance of Board Committees against the criteria as set out in the evaluation form.
- Reviewed the structure, size and composition of the Board.
- Reviewed and recommended to the Board the re-election of Directors who are retired at the Twentieth (20th) Annual General Meeting ("AGM").

The Board is satisfied with its current mix of qualifications, skills, experiences, expertise and strength in discharging its duties effectively.

REMUNERATION COMMITTEE

The Company does not have any formal remuneration policy. Notwithstanding that, RC is guided by the TOR of RC to recommend the structure and level of remuneration for the Executive Directors and Non-Executive Directors.

The Board, via the RC, ensures that the remuneration provided to Executive Directors is adequate to attract, retain, and incentivize individuals of the caliber necessary to effectively manage the Group. The remuneration packages for Executive Directors are designed to align rewards with both corporate and individual performance.

Non-Executive Directors of the Company are paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in the Board and the Board Committees, their attendance and/or special skills and expertise they bring to the Board. The fee is fixed in sum and not by a commission or percentage of profits or turnover.

For FY2023, the RC had performed its duty to assess annually the remuneration package, fees and benefits of the Directors. The proposed fees and benefits of the Directors are reviewed and recommended by the RC to the Board for deliberation which comprises the following:-

Directors' Fees	These fees are payable to Non-Executive Directors and are recommended by the Board for the approval of the shareholders at AGM.

The RC comprises exclusively of two (2) Independent Non-Executive Directors and the meeting attendance of the RC Members is as follows: -

Designation	Directors	No. of meetings attended
Chairperson	Ms. Er Kian Hong	2/2
Member	Mr. Leong Yien Hung *(appointed as Member w.e.f. 11 May 2023)*	2/2

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

REMUNERATION COMMITTEE (CONT'D)

The past member of RC and their meeting attendance for the FY 2023 is as follows:-

Designation	Directors	No. of meetings attended
Chairman	Adnan Bin Zainol *(resigned w.e.f. 11 May 2023)*	1/1
Member	*Rahimi Bin Ramli* *(resigned w.e.f. 31 July 2023)*	1/1
Member	*Dato' Ir. Zainurin Bin Haji Karman* *(appointed w.e.f. 21 November 2023 and demised on 2 March 2024)*	–

Each individual Director abstains from deliberation and voting on all matters pertaining to their own respective remuneration.

Details of the remuneration of Directors of the Company during FY2023 are shown below:

The Company

Name of Directors	Fees RM	Salaries RM	Meeting Allowance RM	Total RM
Yahya bin Razali	122,400.00	–	–	122,400.00
Abdul Rani bin Achmed Abdullah	–	38,400.00	–	38,400.00
Chan Yok Peng	–	60,000.00	–	60,000.00
Er Kian Hong	38,400,00	–	–	38,400.00
Leong Yien Hung	42,880.00	–	–	42,880.00
Dato' IR. Zainurin bin Haji Karman *(appointed w.e.f. 21 November 2023 and demised on 2 March 2024)*	4,373.33	–	–	4,373.33
Rahimi bin Ramli *(resigned w.e.f. 31 July 2023)*	22,400.00	–	–	22,400.00
Adnan bin Zainal *(resigned w.e.f. 11 May 2023)*	17,135.48	–	–	17,135.48
Mohamad Shaharul bin Mohamah Shariff *(demised on 8 July 2023)*	–	22,400.00	–	22,400.00
Total	**247,588.81**	**120,800.00**	**–**	**368,388.81**

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

The Group

Name of Directors	Fees RM	Salaries RM	Meeting Allowance RM	Total RM
Yahya bin Razali	122,400.00	–	–	122,400.00
Abdul Rani bin Achmed Abdullah	–	38,400.00	–	38,400.00
Chan Yok Peng	–	60,000.00	–	60,000.00
Er Kian Hong	38,400,00	–	–	38,400.00
Leong Yien Hung	42,880.00	–	–	42,880.00
Dato' IR. Zainurin bin Haji Karman *(appointed w.e.f. 21 November 2023 and demised on 2 March 2024)*	4,373.33	–	–	4,373.33
Rahimi bin Ramli *(resigned w.e.f. 31 July 2023)*	22,400.00	–	–	22,400.00
Adnan bin Zainal *(resigned w.e.f. 11 May 2023)*	17,135.48	–	–	17,135.48
Mohamad Shaharul bin Mohamah Shariff *(demised on 8 July 2023)*	–	22,400.00	–	22,400.00
Total	**247,588.81**	**120,800.00**	**–**	**368,388.81**

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

The AC of the Company comprises two (2) members and all of whom are Independent Non-Executive Directors. The AC is chaired by an Independent Non-Executive Director who is distinct from the Chairman of the Board.

Practice 9.2 of the MCCG requires the AC to have a policy that requires a former audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee. As a matter of practice, the AC has recommended to the NC not to consider any former audit partner as a candidate for Board Directorship/Audit Committeeship to solidify the AC's stand on such Policy.

The Board is assisted by the AC to oversee both internal and external audit functions, risk management and internal control system, financial reporting processes and the Group's financial statements. The AC members, all of whom are financially literate, reviewed the Company and the Group's unaudited quarterly results and audited financial statements, prior to recommending them for approval by the Board for announcements and issuance to the shareholders and stakeholders.

The AC would on an annual basis, reviews and monitors the appointment/re-appointment, performance, competency, suitability, objectivity and independence of the External Auditors. The AC sets policy and procedures on the provision of non-audit services by the External Auditors.

During FY2023, the External Auditors has maintained their independence in accordance with their firm's requirements and with the terms of relevant professional and regulatory requirements and they have reviewed the non-audit services provided to the Group during the financial period and are not aware of any non-audit services that have compromised their independence as External Auditors of the Group. The External Auditors also reaffirmed their independence at the completion of the audit.

The details of the key activities carried out by the AC during FY2023 are set out in the AC Report of this Annual Report.

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

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board firmly believes in maintaining a sound risk management framework and internal controls system with a view to safeguard shareholders' investment and the assets of the Group.

The AC assists the Board to ensure effectiveness of the Group's internal control systems. The internal audit function is outsourced to a third party professional services firm, which is independent of the activities and operations of the Group.

The Board performs reviews on an annual basis covering not only financial, but operational and compliance controls and risk management systems, in all material aspects. Management is responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed, and for providing assurance to the Board that the processes have been carried out.

The Board recognises that identification, evaluation and management of significant risks faced by the Company are an on-going process. The improvement of the system of internal controls is also an on-going process and the Board maintains continuing commitment to strengthen the Company's internal control environment and processes.

The risk management framework and internal audit functions are disclosed in the Statement on Risk Management and Internal Control of this Annual Report.

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

COMMUNICATION WITH STAKEHOLDERS

The Company is committed to upholding high standards of transparency and promotion of investor confidence through the provision of comprehensive, accurate and quality information on a timely and even basis. The Company has in place good corporate disclosure policies and communication channels to ensure thorough and timely dissemination of material and reliable information to the public.

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

CONDUCT OF GENERAL MEETINGS

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

In order to encourage shareholders' participation at the AGM, the Company sends out the Notice of AGM earlier or at least 28 days to allow sufficient time for shareholders to make arrangements to attend either in person, by corporate representative, proxy or attorney.

All Directors, Management and External Auditors were present in person to respond to the shareholders' queries and feedback at the Twentieth AGM held on 23 June 2023. All the resolutions were put to vote by way of poll.

This CG Overview Statement was approved by the Board of the Company on 22 April 2024.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

1. UTILISATION OF PROCEEDS

The status of the gross proceeds from the Private Placement completed on 14 January 2022 which amounted to approximately RM9.60 million as at financial year ended 31 December 2023 are as follows:-

Details of Utilisation	Proposed Utilisation (RM'000)	Revised Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)	Variation to the Utilisation of proceeds (RM'000)	Revised balance of proceeds after the Proposed Variation (RM'000)
Software development	5,000	4,280	1,520	2,760	(2,655)	105
Development of mobile health technology services platform	1,000	850	80	770	(770)	–
Development of microcredit platform	5,000	4,290	1,000	3,290	(3,290)	–
Future investments	7,001	–	–	–	–	–
Estimated expenses for the Private Placement	500	180	177	3	(3)	–
Development of Money Lending Business	–	–	3,007	(3,007)	3,543	536
Development of Mining Business	–	–	2,466	(2,466)	3,175	709
Total	**18,501**	**9,600**	**8,250**	**1,350**	**–**	**1,350**

Note:

(1) On 23 May 2023 and 1 August 2023, the Group announced proposed variation to the utilisation of proceeds of the Private Placement, which is subject to shareholders approval to be obtained.

(2) In the event shareholders' approval is not obtained, the Group will seek alternative methods of funding, and replenish the proceeds used accordingly.

2. AUDIT AND NON-AUDIT FEES

The audit fee and non-audit fees paid or payable by the Company and the Group to the External Auditors for the financial year ended 31 December 2023 are as follows:-

	Group (RM'000)	Company (RM'000)
Audit fees	215	165
Non-audit fees	10	10
Total	**225**	**175**

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

(CONT'D)

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of directors, chief executive who is not a director or major shareholders either still subsisting at the end of the financial year ended 31 December 2023 or entered into since the end of the previous financial year.

4. MATERIAL CONTRACTS RELATING TO LOANS

There were no material contracts relating to loans entered into by the Company and its subsidiaries involving Directors', chief executive's and/or major shareholders' interests for the financial year ended 31 December 2023.

5. RELATED PARTY TRANSACTIONS

There was no Related Party Transactions of a revenue or trading nature which requires shareholders' mandate for the financial year ended 31 December 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("**Board**") is dedicated to enhancing the Group's risk management framework and upholding a robust system of internal control. In accordance with Rule 15.26(b) of the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), and guided by the Bursa Securities' Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("**the Guidelines**"), as well as the recommendations of the Malaysian Code of Corporate Governance, the Board is pleased to provide a statement on the status of the Group's risk management and internal control system in this Annual Report.

BOARD'S RESPONSIBILITIES

The Board recognizes its overall responsibilities for upholding a sound system of internal control, which is essential for providing reasonable assurance regarding the effectiveness and efficiency of operations, risk management, reliability of reporting, and compliance with applicable laws, rules, and regulations. The Board bears ultimate accountability for the Group's internal control system, including the establishment of a suitable control environment and framework, along with processes for continuously assessing its adequacy and integrity.

The Board also acknowledges the importance of sound internal controls and risk management in protecting the Group's assets. Through its Audit Committee, the Board has instituted a continuous process for identifying, assessing, monitoring, and managing significant risks through internal controls, aiming to achieve reasonable assurance that the Group's business objectives are achieved. These controls are regular review by the Board and are subject to ongoing enhancements.

Given the limitations inherent in any system of internal control, the system is designed to manage, not eliminate, the risk of failure to achieve company objectives. Therefore, the system can provide reasonable but not absolute assurance against material misstatement, operational failure, fraud or loss.

The Board believes that the Group's risk management and internal control systems were in place during the financial period and as of the date of issuance of the Annual Report, subject to regular reviews. They are deemed adequate and effective in safeguarding shareholders' investments, stakeholders' interests, and the Group's assets.

RISK MANAGEMENT SYSTEM

The Board is aware that a sound system of risk management is critical for the Group's sustainability and enhancement of shareholder value. Risk management should be embedded in the operations of the Group and form part of its culture. This system should be capable of responding quickly to evolving risks to the business arising from factors within the Group and changes in the business environment. It includes procedures for identifying, reporting, managing and monitoring on any significant risk continuously.

Audit Committee is assisted by the Executive Directors and Management of the Group to ensure the adequacy and effectiveness of risk management system. The duties and responsibilities of Audit Committee's risk management and internal control are as follows:

- Review the risk profile of the Group and plans to manage and/or mitigate business risks as identified from time to time;
- Review the sufficiency and effectiveness of the Group's overall risk management system; and
- Assess the effectiveness or the system of internal controls i.e. the risks, control environment and compliance requirements based on the results of the External and Internal Auditors.

The functions of the Audit Committee to ensure risk management and proper internal controls are in place with an adequate awareness and understanding of risks by the Management and to safeguard shareholders' interest and the Company's assets.

INTERNAL CONTROL SYSTEM

Key internal controls in place for the Group are as follows:

- The Group has an appropriate organisational structure for planning, executing, controlling and monitoring, amongst others, the business operations and financial of the Group in order to achieve the Group's business objectives;
- Clearly defined terms of reference, authorities and responsibilities of the various Board committees including Audit Committee, Remuneration Committee and Nomination Committee;
- To ensure the uniformity and consistency of practices and controls within the Group. Internal Standard Operating Procedures have been formalised and documented for the key business processes and subject to regular review and improvement;
- The Executive Directors acts as the channel of communication between the Board and the Management, and empowered to manage the business of the Group and to implement the Board's directives and policies;
- The Audit Committee evaluate the adequacy and effectiveness of the internal control system through the internal audit function and reports received from the Internal Auditors;
- The Audit Committee and Board regularly receive and review reports on accounting and legal developments provided by the management.
- Investment options are at the deliberation of the Board;
- The Management ensures an effective system of financial reporting to the Audit Committee and Board based on quarterly results;
- The Management ensures the completeness and accuracy of the records of the Group; and
- The Management with the assistance from Internal Auditors, in identify the risks area and implement appropriate measures to manage and control these risks and also review the adequacy and integrity of the internal control system.

INTERNAL AUDIT FUNCTION

The Company had appointed an independent professional firm, Messrs. Socialgreen Governance Sdn Bhd (formerly known as T&S Governance Sdn Bhd) ("**Socialgreen**") to assist the Board and Audit Committee in providing independent assessment on the adequacy, efficiency and effectiveness of the internal controls system and risk management system of the Group.

The Internal Auditors report directly to the Audit Committee and its role are to independently review the system of internal controls as established by the Group, the adequacy and integrity of such internal control system.

During FY2023, Socialgreen had conducted a comprehensive internal control review in relation to the Sales and Marketing Function of Boardroom.com Sdn Bhd, a wholly-owned subsidiary of the Company in respect of the adequacy and effectiveness of the sales and marketing function in acquiring and retaining corporate clients while ensuring alignment with industry standards and regulations.

Internal audit review has been carried out for the financial year ended 31 December 2023 based on the approved audit plan, which is to review the Sales and Marketing Function of Boardroom.com Sdn Bhd, a wholly-owned subsidiary of the Company in respect of the adequacy and effectiveness of the sales and marketing function in acquiring and retaining corporate clients while ensuring alignment with industry standards and regulations. The findings of the internal audit together with recommendations were presented to the Audit Committee.

Based on the internal audit review conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this annual report.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the AMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 December 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

MANAGEMENT ASSURANCE

The Executive Directors, representing the Management, have given reasonable assurance to the Board that the Group's risk management and internal control systems are adequate and effective, in all material aspects, based on the risk management and internal controls adopted by the Group and similar assurance given by the respective heads of operations.

CONCLUSION

The Board believes that the current risk management and internal control system implemented during the financial year under review are robust and sufficient to protect the shareholders' investment, safeguard the Group's assets, and uphold the interests of other stakeholders. However, the Board acknowledges the need for ongoing adaptation to address evolving business dynamics and challenges. Thus, the Board is dedicated to enhancing the Group's internal control and risk management framework continually.

This Statement was approved by the Board on 22 April 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITY
IN RELATION TO THE FINANCIAL STATEMENTS

In accordance with the provisions of the Companies Act 2016, the applicable Malaysian Financial Reporting Standards and the International Financial Reporting Standards, the Directors are required to prepare financial statements that give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year, and of the results and cash flows for that year then ended.

The Directors consider that, in preparing the audited annual financial statements:

- the Group and the Company had used appropriate accounting policies which are consistently applied;
- reasonable and prudent judgments and estimates were made; and
- complete disclosures of all information required under the Companies Act 2016 and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad have been made and followed.

The Directors are responsible for ensuring that the Group and the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Companies Act 2016.

The Directors have general responsibilities for taking such steps that are reasonable available to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities

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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in the provision of computerised maintenance management systems and other information technology services, corporate secretarial and share registration services. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the year	(1,143,285)	(1,511,082)
Loss for the year attributable to: Owners of the parent	(1,143,285)	(1,511,082)

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

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

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Abdul Rani bin Achmed Abdullah**
Rahimi bin Ramli (Resigned on 31.07.2023)
Yahya bin Razali**

DIRECTORS' REPORT

(CONT'D)

DIRECTORS (CONTD)

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are (Contd.):

Er Kian Hong
Leong Yien Hung**
Chan Yok Peng**
Adnan bin Zainol (Resigned on 11.05.2023)
Mohamad Shaharul bin Mohamad Shariff (Deceased on 08.07.2023)
Dato' Ir. Zainurin Bin Haji Karman (Appointed on 01.11.2023 and deceased on 02.03.2024)

** These directors are also the directors of certain subsidiaries of the Company.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Tan Tong Lang
Yap Kok Wei
Chua Szi Cian
Datuk Haji Abdullah Bin Jusoh
Datuk Seri Dr. Haji Abdul Fattah Bin Haji Abdullah
Mohamad Darulnizam Bin Mat Darus (Alternate Director to Datuk Haji Abdullah Bin Jusoh)

DIRECTORS' INTERESTS

The interests and deemed interests in the shares and warrants of the Group and of the Company and of its related corporations of those who were directors at financial year end (including the interests of the spouses or children of the directors who themselves are not directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
The Company	**As at 1.1.2023**	**Acquired**	**Disposed**	**As at 31.12.2023**
Direct interest				
Abdul Rani bin Achmed Abdullah	85,072	–	–	85,072
Mohamad Shaharul bin Mohamad Shariff (Deceased on 08.07.2023)	13,304,400	–	–	–
Chan Yok Peng	25,000,000	–	–	25,000,000

None of the other directors in office at the end of the financial year had 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 Group and of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivables by directors as shown in Note 31.1(b) to the financial statements) by reason of a contract made by the Group and of 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.

There were no arrangements during and at the end of the financial year which had the object of enabling directors of the Group and the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUANCE OF SHARES

There were no ordinary shares or debentures issued during the financial year.

OPTIONS

No options were granted to any person to take up any unissued shares of the Company during the financial year.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for, during or since the end of the year, for any director, officer and auditor of the Company in accordance with section 289 of the Companies Act 2016.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

    (i) to ascertain that proper action had been taken in relation to the writing off of the allowance for expected credit losses and the making of allowance for expected credit losses and satisfied themselves that there are no known bad debts to be written off and that adequate allowance of expected credit loss had been made; and

    (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which the Group and the Company might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

    (i) it necessary to write off any bad debts and the amount of the allowance of expected credit losses in the financial statements of the Group and of the Company are inadequate to any substantial extent; and

    (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

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

(e) As at the date of this report, there does not exist:

    (i) any charge on the assets of the Group or 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 (CONTD)

(f) 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 or of the Company to meet their obligations as and when they fall due; and

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

AUDITORS AND AUDITORS' REMUNERATION

Auditor's remuneration is as follows:

	2023 **RM**
Al Jafree Salihin Kuzaimi PLT	165,000

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 April 2024

ABDUL RANI BIN ACHMED ABDULLAH
Director

YAHYA BIN RAZALI
Director

Kuala Lumpur

Date: 23 April 2024

STATEMENT BY DIRECTORS

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

We, **ABDUL RANI BIN ACHMED ABDULLAH** and **YAHYA BIN RAZALI**, being two of the directors of **ALDRICH RESOURCES BERHAD**, do hereby state that in the opinion of the directors, the financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 April 2024

ABDUL RANI BIN ACHMED ABDULLAH
Director

YAHYA BIN RAZALI
Director

Kuala Lumpur

Date: 23 April 2024

STATUTORY DECLARATION

PURSUANT TO SECTION 251 (1)(b) OF THE COMPANIES ACT 2016

I, **ABDUL RANI BIN ACHMED ABDULLAH**, being the director primarily responsible for the financial management of **ALDRICH RESOURCES BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are in my opinion, 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 above named at ***Kuala Lumpur***)
in the state of ***Federal Territory***)
on 23 April 2024)

ABDUL RANI BIN ACHMED ABDULLAH
Director

Before me,

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ALDRICH RESOURCES BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Aldrich Resources Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and the Company, and 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 a summary of material accounting policies, as set out in the accompanying pages.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of its financial performance and their cash flows for the financial year then ended in accordance with the 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.

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the key audit matters
1) Impairment assessments of goodwill As at 31 December 2023, the Group has goodwill amounting to RM5,774,387 which represents 19% of Group's total assets respectively. We focused on this area due to the significance of the goodwill balance with indefinite useful life which is subject to annual impairment assessment pursuant to the requirement of MFRS 136. The impairment assessment performed by the management involved significant degree of judgements in estimating the assumptions on growth rate and discount rate used. In view of the significant balances, the inherent uncertainties and the level of judgement required by us in evaluating the Group's assumptions included within the discounted cash flows, our professional view that the impairment of goodwill is a key audit matter. During the year, there were no impairment of goodwill charged to profit or loss of the Group in respect of the CGU where its recoverable amount is higher than the carrying amount during the year. Refer to the disclosures of goodwill in Note 9 to the financial statements respectively.	Our procedures included, amongst others: • We have obtained the discounted cash flows from the management to assess the impairment of the goodwill; • We have identified the key assumptions and assessed the reasonableness of the key assumptions by obtaining the supporting documents for the underlying key assumptions; • Reviewed management's assessement on goodwill in accordance with MFRS 136 by obtaining and compared the recoverable amounts of goodwill as at the reporting date; and • We have assessed the adequacy of the key assumptions disclosure in the Group's financial statement.

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 Directors' Report, Statement by Directors' and Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

INDEPENDENT AUDITORS' REPORT

(CONT'D)

Responsibilities Of The Directors For The Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with the 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 the financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities For The Audit Of The Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITORS' REPORT

(CONT'D)

Auditors' Responsibilities For The Audit Of The Financial Statements (Cont'd)

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related

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

Report On Other Legal And Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 7 to the financial statements.

Other matters

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

AL JAFREE SALIHIN KUZAIMI PLT
201506002872 (LLP0006652-LCA) & AF 1522
CHARTERED ACCOUNTANTS

AHMAD ALJAFREE BIN MOHD RAZALLI
NO. 01768/05/2025 J
CHARTERED ACCOUNTANT

Dated: 23 April 2024

Selangor, Malaysia

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Assets					
Non-Current Assets					
Property, plant and equipment	4	1,551,137	1,611,308	25,625	536,625
Right-of-use assets	5	396,106	559,121	19,606	44,298
Investments in subsidiaries	6	–	–	6,957,489	6,957,479
Investments in an associate	7	832,000	–	–	–
Other investments	8	1,244,830	3,000,000	–	3,000,000
Goodwill	9	5,774,387	3,940,539	–	–
		9,798,460	9,110,968	7,002,720	10,538,402
Current Assets					
Trade and other receivables	10	17,503,477	12,417,611	37,870,520	30,474,173
Contract assets	11	–	151,550	–	–
Cash and cash equivalents	12	3,081,595	6,039,253	789,136	5,347,945
		20,585,072	18,608,414	38,659,656	35,822,118
Total assets		30,383,532	27,719,382	45,662,376	46,360,520
Equity and liabilities					
Equity attributable to owners of the Company					
Share capital	13	25,408,242	25,308,242	25,308,242	25,308,242
Reserves	14	(422,758)	(390,661)	–	–
(Accumulated losses)/Retained profits		(2,538,236)	(1,394,951)	18,611,513	20,122,595
Equity attributable to owners of the Company		22,447,248	23,522,630	43,919,755	45,430,837
Non-controlling interests		(484,211)	(484,211)	–	–
Total equity		21,963,037	23,038,419	43,919,755	45,430,837

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

STATEMENTS OF FINANCIAL POSITION

(CONT'D)

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Equity and liabilities (Cont'd)					
Current liabilities					
Trade and other payables	15	7,861,412	3,907,562	1,723,015	885,385
Lease liability	16	395,350	299,938	19,606	24,820
Tax payable		158,718	192,950	–	–
Deferred income	17	1,200	16,091	–	–
		8,416,680	4,416,541	1,742,621	910,205
Net current assets		12,168,392	14,191,873	36,917,035	34,911,913
Non-current liabilities					
Deferred tax liability	18	3,815	3,815	–	–
Lease liability	16	–	260,607	–	19,478
		3,815	264,422	–	19,478
Total liabilities		8,420,495	4,680,963	1,742,621	929,683
Total equity and liabilities		30,383,532	27,719,382	45,662,376	46,360,520

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Revenue	19	11,585,457	7,890,412	–	–
Other operating income	20	206,157	536,217	87,948	234,957
Purchase and other direct costs		(3,538,800)	(2,240,602)	–	–
Directors remuneration	21	(247,589)	(229,135)	(247,589)	(229,135)
Depreciation of property, plant and equipment		(998,257)	(624,701)	(422,020)	(478,188)
Depreciation of right of use assets		(502,416)	(225,038)	(185,238)	(178,236)
Staff costs	22	(4,360,170)	(3,237,219)	(12,308)	(4,234)
Other operating expenses	23	(2,785,317)	(1,764,658)	(719,008)	(774,504)
Profit/(Loss) from operations		(640,936)	105,276	(1,498,215)	(1,429,340)
Interest income		13,252	102,255	13,252	65,280
Finance costs	24	(61,271)	(41,471)	(26,119)	(35,597)
Profit/(Loss) before tax		(688,955)	166,060	(1,511,082)	(1,399,657)
Income tax expense	25	(454,330)	(606,371)	–	–
Loss for the year		(1,143,285)	(440,311)	(1,511,082)	(1,399,657)
Other comprehensive income:					
Fair value changes on other investments		–	(32,614)	–	(32,614)
Total comprehensive loss for the year		(1,143,285)	(472,925)	(1,511,082)	(1,432,271)
Loss attributable to:					
Owners of the parent		(1,143,285)	(440,311)	(1,511,082)	(1,432,271)
Total comprehensive loss attributable to:					
Owners of the parent		(1,143,285)	(472,925)	(1,511,082)	(1,432,271)
Loss per share attributable to owners of the parent (sen per share):					
Basic/diluted	26	(0.10)	(0.04)		

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

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

Group	← Attributable to owners of the Company →						
	← Non-distributable →						
	Share capital RM	Exchange reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 January 2023	25,308,242	(390,661)	(1,394,951)	23,522,630	(484,211)	23,038,419
Transaction with owners						
- New ordinary shares	100,000	–	–	100,000	–	100,000
Total transaction with owners	100,000	–	–	100,000	–	100,000
Total comprehensive (loss)/income for the year	–	(32,097)	(1,143,285)	(1,175,382)	–	(1,175,382)
At 31 December 2023	25,408,242	(422,758)	(2,538,236)	22,447,248	(484,211)	21,963,037

Group	← Attributable to owners of the Company →							
	← Non-distributable →							
	Share capital RM	Warrant reserve RM	Exchange reserve RM	Fair value reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 January 2022	22,165,558	21,569,085	(354,551)	(35,271)	(22,491,111)	20,853,710	(484,211)	20,369,499
Transaction with owners								
- Expiration of unexercised warrant reseve	–	(21,569,085)	–	–	21,569,085	21,569,085	–	–
- Private placement	3,142,684	–	–	–	–	3,142,684	–	3,142,684
Total transaction with owners	3,142,684	(21,569,085)	–	–	21,569,085	3,142,684	–	3,142,684
Total comprehensive (loss)/ income for the year	–	–	(36,110)	35,271	(472,925)	(473,764)	–	(473,764)
At 31 December 2022	25,308,242	–	(390,661)	–	(1,394,951)	23,522,630	(484,211)	23,038,419

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

STATEMENTS OF CHANGES IN EQUITY

(CONT'D)

	← Attributable to owners of the Company →				
	← Non-distributable →				
Company	**Share capital RM**	**Warrant reserve RM**	**Fair value reserve RM**	**Accumulated losses RM**	**Total equity RM**
At 1 January 2023	25,308,242	–	–	20,122,595	45,430,837
Transaction with owners					
- Private placement	–	–	–	–	–
Total transaction with owners	–	–	–	–	–
Total comprehensive income/ (loss) for the year	–	–	–	(1,511,082)	(1,511,082)
At 31 December 2023	25,308,242	–	–	18,611,513	43,919,755
At 1 January 2022	22,165,558	21,569,085	(35,271)	(14,219)	43,685,153
Transaction with owners					
- Capital reduction	–	(21,569,085)	–	21,569,085	–
- Private placement	3,142,684	–	–	–	3,142,684
Total transaction with owners	3,142,684	(21,569,085)	–	21,569,085	3,142,684
Total comprehensive income/ (loss) for the year	–	–	35,271	(1,432,271)	(1,397,000)
At 31 December 2022	25,308,242	–	–	20,122,595	45,430,837

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Operating activities				
Profit/(Loss) before taxation	(688,955)	166,060	(1,511,082)	(1,399,657)
<u>Adjustments for:</u>				
Allowance for impairment losses on trade and other receivables	1,037,187	399,030	–	–
Allowance for impairment losses on contract assets	122,625	–	–	–
Reversal of impairment losses on trade receivables	(129,944)	(486,078)	–	–
Disposal of property, plant and equipement	108,222	–	88,980	–
Impairment loss on other investment	–	–	–	–
Finance costs on right-of-use assets	61,271	41,471	26,119	35,597
Gain on foreign currency translation	–	(3,721)	–	(3,715)
Depreciation of property, plant and equipment	998,257	624,701	422,020	478,188
Depreciation of right-of-use assets	502,416	225,038	185,238	178,236
Transfer of property, plant and equipment to intercompany	99,624	–	–	–
Gain on modification of right-of-use assets	(18,252)	–	–	–
Interest income	–	(102,255)	–	(65,280)
Write back of right-of-use assets	–	(40,424)	–	(40,424)
Total adjustments	2,781,406	657,762	722,357	582,602
Operating cash flows before changes in working capital	2,092,451	823,822	(788,725)	(817,055)
<u>Changes in working capital:</u>				
Contract assets	28,925	(46,850)	–	–
Trade and other receivables	(5,993,109)	(1,828,562)	(7,396,347)	(653,175)
Trade and other payables	3,921,753	1,424,931	837,630	229,130
Deferred income	(14,891)	3,991	–	–
Total changes in working capital	(2,057,322)	(446,490)	(6,558,717)	(424,045)
Cash flows generated from/(used) in operations	35,129	377,332	(7,347,442)	(1,241,100)
Taxes paid	(488,562)	(408,417)	–	–
Interest received	–	102,255	–	65,280
Net cash flows generated/(used in) from operating activities	(453,433)	71,170	(7,347,442)	(1,175,820)

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

STATEMENTS OF CASH FLOWS

(CONT'D)

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Investing activities				
Proceed from disposal of other investment	3,000,000	2,076,784	3,000,000	2,076,784
Net outflow on acquisition of subsidiary	(1,833,848)	–	(10)	–
Incorporation of new associate	(832,000)	–	–	–
Purchase of property, plant and equipment	(1,145,932)	(985,444)	–	(6,944)
Placement of other investment	(1,244,830)	–	–	–
Net cash flows generated from/ (used in) investing activities	(2,056,610)	1,091,340	2,999,990	2,069,840
Financing activities				
Proceeds from issuance of shares by way of private placement, net of share issue expenses	100,000	3,142,683	–	3,142,683
Repayment of lease liabilities	(547,615)	(269,670)	(211,357)	(218,418)
Net cash flows generated from financing activities	(447,615)	2,873,013	(211,357)	2,924,265
Net increase in cash and cash equivalents	(2,957,658)	4,035,523	(4,558,809)	3,818,285
Effect of exchange rate changes on cash and cash equivalents	–	–	–	–
Cash and cash equivalents at beginning of year	6,039,253	2,003,730	5,347,945	1,529,660
Cash and cash equivalents at end of year (Note 12)	3,081,595	6,039,253	789,136	5,347,945

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

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2023

1. CORPORATE INFORMATION

Aldrich Resources Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

The Company's principal place of business is located at B-21-1, Level 21, Tower B, Northpoint Midvalley City, No 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur.

The Company's registered office is located at B-21-1, Level 21, Tower B, Northpoint Midvalley City, No 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur.

The Company is principally engaged in the provision of computerised maintenance management systems and other information technology service, corporate secretarial and share registration services. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

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

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM"), except when otherwise indicated.

The preparation of the financial statements in conformity with the MFRS requires the use of certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and reported amounts of revenue and expenses during the reported financial period. It also requires directors' best knowledge of current events and action, and therefore actual results may differ.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Group adopted the following Amendments mandatory for annual financial periods beginning on or after 1 January 2023:

Description	Effective for annual periods beginning on or after
MFRS 17 Insurance Contracts and Amendments to MFRS 17	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements	
- Classification of Liabilities as Current or Non-current	1 January 2023
- Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Accounting Policies Changes in Accounting Estimates and Errors	
- Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Income Taxes	
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction	1 January 2023
- International Tax Reform - Pillar Two Model Rules	1 January 2023

The adoption of the above Amendments and Annual Improvements did not have any significant impact on the financial statements.

2.3 Standards, Amendments and Interpretations Issued but Not Yet Effective

The Standard, Amendments and Annual Improvements that are issued but not yet effective up to the date of issuance of the Group's financial statements are disclosed below. The Group intend to adopt these Standards, Amendments and Annual Improvements, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendment to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendment to MFRS 16: Leases-Lease Liability in a Sale and Leaseback	1 January 2024
Amendment to MFRS 101: Presentation of Financial Statements	
- Non-current liabilities with Covenants	1 January 2024
Amendment to MFRS 121: The Effects of Changes in Foreign Exchange Rates	
- Lack of exchangeability	1 January 2024
Amendments to MFRS 10: Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associates of Joint Venture	Deferred
Amendment to MFRS 128: Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate of joint Ventures	Deferred

The Group will adopt the above pronouncements, if applicable, when they become effective in the respective annual periods. These pronouncements are not expected to have material financial impact to the financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Notes 3 to the financial statements.

2.5 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's functional currency. All financial information is presented in RM unless otherwise stated.

2.6 Basis of consolidation

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto power over* an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non- controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.6 Basis of consolidation (Contd)

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised profits and losses arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of an impairment.

(v) Non-controlling interests

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

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

(vi) Goodwill on consolidation

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non- controlling interests recognised and the fair value of the Group's previously held equity interest in the acquire (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.7 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains or losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non- wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.8 Financial instruments

(i) Recognition and initial measurement

A financial asset or financial liability is recognised in the statement of financial position when, and only when, the Group and the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

Financial instrument was recognised initially, at its fair value plus or minus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that were directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.8 Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial assets (Cont'd)

(b) Fair value through other comprehensive income

(i) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(ii) Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by- investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains or losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.8 Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or

(c) if a contract contains one or more embedded derivatives and the host is not a financial asset within the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.8 Financial instruments (Cont'd)

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the Group and the Company, and

(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group and the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group and the Company apply settlement date accounting unless otherwise stated for the specific class of asset.

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.8 Financial instruments (Cont'd)

(v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

2.9 Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self- constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.9 Property, plant and equipment (Cont'd)

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The principal annual rates used are as follows:

Computers	20%
Office equipment, furniture and fittings	10%-20%
Motor vehicles	20%
Renovation	20%

Depreciation method, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

2.10 Leased assets

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

For a contract that contains a lease component and non-lease components, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relatives stand alone prices.

As a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.10 Leased assets (Cont'd)

As a lessee (Cont'd)

(i) Right-of-use assets

The Group recognise right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If the ownership of the lease assets transfer to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimates useful lives of the assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognise the lease payments associated with these leases as an expense over the lease term.

(iv) Extension options

The Group, in applying their judgement, determine 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 apply 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 Company reassess 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.10 Leased assets (Cont'd)

As a lessor

Leases in which the Group do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.11 Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

(i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
(ii) the intention to complete the intangible asset and use or sell it;
(iii) the ability to use or sell the intangible asset;
(iv) how the intangible asset will generate probable future economic benefits;
(v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
(vi) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at costs less accumulated amortisation and accumulated impairment losses. The average expected life of the development projects is five years. Development costs in progress are not amortised.

2.12 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.12 Intangible assets (Cont'd)

(a) Goodwill (Cont'd)

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2.13 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

2.14 Impairment

(i) Financial assets

Unless specifically disclosed below, the Group and the Company generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9, *Financial Instruments*, the Group and the Company elected not to restate the comparatives.

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12 months expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward- looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12 months expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.14 Impairment (Cont'd)

(i) Financial assets (Cont'd)

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit- impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, lease receivables, deferred tax asset, assets arising from employee benefits, investment property measured at fair value and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.14 Impairment (Cont'd)

(ii) Other assets (Cont'd)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) *on a pro rata basis*.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

2.15 Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

2.16 Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.16 Employee benefits

(ii) Defined benefit plans (Cont'd)

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains or losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Share-based payment transactions

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

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

The fair value of the employee share options is measured using a binomial lattice model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk- free interest rate (based on government bonds). Service and non- market performance conditions attached to the transactions are not taken into account in determining fair value.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.17 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

2.18 Revenue and other income

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and services tax or sales and services tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group recognises revenue from contracts with customers for the provision of services and sale of goods based on the five-step model as set out below:

(i) Identify contract with a customer

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

(ii) Identify performance obligations in the contract

A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

(iii) Determine the transaction price

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(iv) Allocate the transaction price to the performance obligation in the contract

For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.18 Revenue and other income (Cont'd)

(v) Recognise revenue when (or as) the Group satisfies a performance obligation

The Group satisfies a performance obligation and recognise revenue over time if the Group's performance:

- Do not create an asset with an alternative use to the Group and has an enforceable right to payment for performance obligation completed to-date; or
- Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- Provide benefits that the customer simultaneously receives and consumes as the Group performs.

For performance obligations where any one of the above conditions are met, revenue is recognised over time at which the performance obligation is satisfied.

For performance obligations that the Group satisfies over time, the Group determined that the input method is the best method in measuring progress of the services because there is direct relationship between the Group's effort and the transfer of service to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

The following describes the performance obligation in contracts with customers:

(i) Service and maintenance

The Group provide software development and programming service.

(ii) Secretarial servcices

The Group provides share registration, scrutineer, poll administration services and secretarial and management consultancy service.

Other income is recognised on accrual basis.

2.19 Tax Assets and Tax Liabilities

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.19 Tax Assets and Tax Liabilities (Cont'd)

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously. Deferred tax assets and liabilities are not discounted.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

2.20 Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

2.21 Operating segments

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

2.22 Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.22 Fair value measurements (Cont'd)

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 : unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

2.23 Related parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:

i) Has control or joint control over the Group; or
ii) Has significant influence over the Group; or
iii) Is a member of the key management personnel of the ultimate holding

(b) An entity is related to the Group if any of the following conditions applied:

i) The entity and the Group are members of the same group ; or
ii) One entity is an associate or joint venture of the other entity; or
iii) Both entities are joint ventures of the same third party; or
iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
v) The entity is post-employment benefit plan for the benefits of employees of the Group or an entity related to the Group; or
vi) The entity is controlled or jointly-controlled by a person identified in (a) above; or
vii) A person identified in (a) (i) above has significant influence over the entity or is a member of the key management personnel of the ultimate holding company or the entity.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and 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.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Revenue from contracts with customers

The Group and the Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Identifying performance obligations

For contracts relating to system application development, the Group and the Company are responsible for the overall management of the project and identifies various goods and services to be provided, including project management, procurement of hardware and software, system design, system deployment and testing, system installation and integration. In such contracts, the Group and the Company determined that the goods and services are not distinct and generally accounts for them as a single performance obligation.

Determining the timing of satisfaction of performance obligation

For system application and development revenue and engineering works, the Group and the Comppany 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. In making the assessment, the Group considered the terms of the contracts entered into with customers.

For contracts that meet the over time recognition criteria, the Group and the Company determined that the input method is the best method in measuring progress of the development because there is direct relationship between the Group's and the Company's effort (i.e., resources consumed, labour hours expended and costs incurred) and the transfer control of goods and services to the customer.

Consideration of significant financing component in a contract

For contracts involving the system application and development revenue and engineering works recognised over time, customers generally make progress payments as work goes on. Generally, the Group and the Company concluded that there is no significant financing component for those contracts as the length of time between when the customers pays for the asset and when the Group and the Company transfer the asset to the customer will be one year or less.

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

3.1 Judgements made in applying accounting policies (Cont'd)

(a) Revenue from contracts with customers (Cont'd)

Determining method to estimate variable consideration and assessing the constraint

The contracts for the system application and development revenue and engineering works include delay penalties that give rise to variable consideration. Development monitoring is a constant and ongoing process that can identify potentially serious delays in a project. In estimating the variable consideration, the Group and the Company are required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of goodwill, investments in subsidiaries and intangible assets

Goodwill, investments in subsidiaries and intangible assets are tested for impairment annually and at other times when such indicators exist. The Company also assesses at each reporting date whether there is any objective evidence that its goodwill, investments in subsidiaries and software development expenditure require an impairment. This requires an estimation of the recoverable amount based on value in use or fair value less costs of disposal of the cash-generating units to which the goodwill is allocated.

When value in use calculation is undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate and long term growth rate in order to calculate the present value of those cash flows.

The carrying value of goodwill, the key assumptions applied in the impairment assessment of goodwill and intangible assets in Note 9 and Note 6 respectively, while the carrying amount of investments in subsidiaries is disclosed in Note 7.

(b) Provision for expected credit losses of trade receivables, other receivables and contract assets

The Group and the Company use a provision matrix to calculate ECLs for trade receivables, other receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type).

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

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

3.2 Key sources of estimation uncertainty (Cont'd)

(b) Provision for expected credit losses of trade receivables, other receivables and contract assets (Cont'd)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's and the Company's contract assets and trade receivables are disclosed in Note 11 and Note 10.

(c) Measurement of progress when revenue is recognised over time

For those contracts involving the system application and development revenue and engineering works that meet the over time criteria of revenue recognition, the Group's and the Company's performance is measured using an input method, by reference to the inputs towards satisfying the performance obligation relative to the total expected inputs to satisfy the performance obligation. The Group and the Company generally use the costs incurred method as a measure of progress for its contracts because it best depicts the Group's and the Company's performance. Under this method of measuring progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. When costs are incurred, but do not contribute to the progress in satisfying the performance obligation (such as unexpected amounts of wasted materials, labour or other resources), the Group and the Company exclude the effect of those costs. Also, the Group and the Company adjust the input method for any cost incurred that are not proportionate to the Group's and the Company's progress in satisfying the performance obligation.

The carrying amounts of contract assets and liabilities of the Group and the Company are disclosed in Note 11.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Mining Equipment RM	Computers RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Renovation RM	Total RM
Cost						
At 1 January 2023	–	1,253,811	443,163	6,000	2,283,822	3,986,796
Foreign currency gain/(loss) on translation	–	–	–	–	–	–
Addition	241,000	728,451	75,601	–	100,880	1,145,932
Transfer (to)/from intercompany	–	–	1,256	–	(100,880)	(99,624)
Disposals	–	–	(223,741)	–	(1,768,106)	(1,991,847)
At 31 December 2023	241,000	1,982,262	296,279	6,000	515,716	3,041,257
Accumulated depreciation						
At 1 January 2023	–	557,531	368,876	5,999	1,443,082	2,375,488
Foreign currency gain on translation	–	–	–	–	–	–
Charge for the year (Note 23)	23,400	496,104	54,134	–	424,619	998,257
Disposals	–	–	(216,125)	–	(1,667,500)	(1,883,625)
At 31 December 2023	23,400	1,053,635	206,885	5,999	200,201	1,490,120
Net carrying amount						
At 31 December 2023	217,600	928,627	89,394	1	315,515	1,551,137

Group	Computers RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Renovation RM	Total RM
Cost					
At 1 January 2022	615,383	431,855	6,000	1,865,822	2,919,060
Foreign currency gain/(loss) on translation	3,194	(516)	–	–	2,678
Addition	635,234	11,824	–	418,000	1,065,058
At 31 December 2022	1,253,811	443,163	6,000	2,283,822	3,986,796
Accumulated depreciation					
At 1 January 2022	390,967	291,649	5,999	1,059,500	1,748,115
Foreign currency gain on translation	2,032	640	–	–	2,672
Charge for the year (Note 24)	164,532	76,587	–	383,582	624,701
At 31 December 2022	557,531	368,876	5,999	1,443,082	2,375,488
Net carrying amount					
At 31 December 2022	696,280	74,287	1	840,740	1,611,308

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

Company	**Computers RM**	**Office equipment, furniture and fittings RM**	**Renovation RM**	**Total RM**
Cost				
At 1 January 2022	389,594	258,294	1,762,103	2,409,991
Additions	6,944	–	–	6,944
At 31 December 2022 and 1 January 2023	396,538	258,294	1,762,103	2,416,935
Write Off	–	(223,747)	(1,738,108)	(1,961,855)
At 31 December 2023	396,538	34,547	23,995	455,080
Accumulated depreciation				
At 1 January 2022	215,690	175,960	1,010,472	1,402,122
Charge for the year (Note 23)	78,482	48,086	351,620	478,188
At 31 December 2022 and 1 January 2023	294,172	224,046	1,362,092	1,880,310
Charge for the year (Note 23)	76,908	26,459	318,653	422,020
Write Off	–	(216,125)	(1,656,750)	(1,872,875)
At 31 December 2023	371,080	34,380	23,995	429,455
Net carrying amount				
At 31 December 2022	102,366	34,248	400,011	536,625
At 31 December 2023	25,458	167	–	25,625

5. RIGHT-OF-USE ASSETS

The Group and the Company have lease contracts for office with contract terms of 1 to 3 years and the lease contracts do not contain variable lease payments.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
At 1 January	559,121	478,136	44,298	478,136
Additions	663,242	612,032	306,009	50,407
Write back	(145,463)	(306,009)	(145,463)	(306,009)
Modification	(178,378)	–	–	–
Depreciation (Note 23)	(502,416)	(225,038)	(185,238)	(178,236)
At 31 December	396,106	559,121	19,606	44,298

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
At 1 January	560,545	523,145	44,298	523,145
Write back	(145,463)	(346,433)	(145,463)	(346,433)
Modification	(196,630)	–	–	–
Additions	663,242	612,032	306,009	50,407
Accretion of interest	61,271	41,471	26,119	35,597
Payments	(547,615)	(269,670)	(211,357)	(218,418)
At 31 December	395,350	560,545	19,606	44,298
Current	395,350	299,938	19,606	24,820
Non-current	–	260,607	–	19,478
	395,350	560,545	19,606	44,298

The maturity analysis of lease liabilities are disclosed in Note 16.

5. RIGHT-OF-USE ASSETS (CONT'D)

The following are the amounts recognised in profit or loss:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Depreciation expense of right-of-use assets	502,416	225,038	185,238	178,236
Gain on modification	18,252	–	–	–
Interest expense on lease liabilities	61,271	41,471	26,119	35,597
Total amount recognised in statement of comprehensive income	581,939	266,509	211,358	213,833

The Group and the Company have several lease contracts that include extension option. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's and the Company's business needs. Management exercises judgment in determining whether these extension option are reasonably certain to be excercised.

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM	**2022 RM**
Unquoted ordinary shares, at cost		
At 1 January	79,020,200	79,020,200
Acquisition of a subsidiary		
Incorporations of new subsidiaries	10	–
	79,020,210	79,020,200
Less: Accumulated impairment losses	(72,062,721)	(72,062,721)
At 31 December	6,957,489	6,957,479

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Effective equity interest (%) 2023	2022
Held by the Company:				
Cworks Systems Inc^#	United States of America	Provision of computerised maintainance management systems and other information technology services such as system integration, support service and training. The Company has	51	51
ASAP Sdn. Bhd.	Malaysia	To carry on business of software development and programming services.	100	100
Ganda Integrasi Sdn. Bhd.	Malaysia	Investment company.	100	100
Boardroom.com Sdn. Bhd.	Malaysia	Provision of secretarial and management consultancy service.	100	100
Aldpro Corporate Services Sdn. Bhd.	Malaysia	Provision of share registration, scrutineer and poll administration services.	100	100
Aldrich Minerals Sdn. Bhd.	Malaysia	Mining, processing and trading of mineral resources and related activities.	100	100
Aldrich Capital Sdn. Bhd.	Malaysia	Business management consultancy services	100	100
Held through a subsidiary, Aldrich Capital Sdn. Bhd.				
Proficient Premium Sdn. Bhd.	Malaysia	Licensed money lending business	100	100

^ Audited by firms other than Al Jafree Salihin Kuzaimi PLT.

This subsidiary was consolidated based on its unaudited management account as at 31 December 2023. The subsidiary is an insignificant component of the Group. The financial statements of this subsidiary used for consolidation purpose were reviewed by Al Jafree Salihin Kuzaimi PLT.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Acquisition of subsidiary

On 25 February 2023, the subsidiary, Aldrich Capital Sdn. Bhd. has acquired the entire equity interest in Proficient Premium Sdn. Bhd, which operates in the licensed money lending business. The Group expects to extract synergies for the combined operations, which would lead to enlarged tits revenue stream and share in the market.

The cost of combination that amounted to RM250,000 is made up by RM250,000 in cash consideration.

The recognised amounts of assets and liabilities of Proficient Premium Sdn. Bhd. at the acquisition date were as follows:

	Carrying amount RM	Fair value RM
Cash and bank balancces	633	633
Other payables and accruals	(1,833,481)	(1,833,481)
Group's interest in fair value of net identifiable liability	(1,832,848)	(1,832,848)
Identifiable intangible liability		(1,832,848)
Goodwill on acquisition		1,833,848
Cost of combination		250,000
(-) cash and bank balances		633
Cash outflow on acquisition of a subsidiary		249,367

(b) Non controlling interest in subsidiary

The Group's subsidiary that has material non-controlling interest ("NCI") is as follows:

	Cworks Systems Inc 2023 RM	2022 RM
NCI percentage of owenrship interest and voting interest	49%	49%
Carrying amount of NCI	(484,211)	(484,211)
Loss allocated to NCI	–	–

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Non controlling interest in subsidiary (Cont'd)

Summarised financial information before intra-group elimination

	Cworks Systems Inc 2023 RM	Cworks Systems Inc 2022 RM
Statement of Financial Position		
Non-current assets	133	127
Current liabilities	(1,849,305)	(1,768,598)
Net liabilities	(1,849,172)	(1,768,471)
Statement of Profit or Loss and Other Comprehensive Income		
Loss for the year	–	–
Statement of Cash Flows		
Cash flow used in operating activities/ Net decrease in cash cash equivalents	–	–

7. INVESTMENT IN AN ASSOCIATE

	Group 2023 RM	Group 2022 RM
Unquoted shares, at cost	832,000	–
	832,000	–

Details of the associates companies, which are incorporated in Malaysia as follows:

Name	Principal activities	Effective equity interest (%) 2023	Effective equity interest (%) 2022
Octowill Trustees Berhad*^	Trusts, funds and similar financial entities	20	–

During financial year, the Company has acquired 20% equity interest of Octowill Trustee Berhad. The Company has recognised the shares of results of associates to the Company's financial statements.

* These financial statements are not audited by Al Jafree Salihin Kuzaimi PLT.
^ Disclosed using management financial statements reviewed by Al Jafree Salihin Kuzaimi PLT

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

8. OTHER INVESTMENTS

Group	Note	Unquoted shares RM	Bonds RM	Total RM
31 December 2023				
Non current				
Fair value through other comprehensive income	8.1	1,244,830		1,244,830
Total		1,244,830	–	1,244,830
31 December 2022				
Non current				
Fair value through other comprehensive income	8.2	3,000,000	–	3,000,000
Total		3,000,000	–	3,000,000

Company	Note	Unquoted shares RM	Bonds RM	Total RM
31 December 2023				
Non current				
Fair value through other comprehensive income	8.2	–	–	–
		–	–	–
31 December 2022				
Non current				
Fair value through other comprehensive income	8.2	3,000,000	–	3,000,000
		3,000,000	–	3,000,000

8.1 Other investment

The subsidiary, Aldrich Minerals Sdn. Bhd. has signed an agreement on 21 February 2023 with Rumpun Perwira Global Sdn. Bhd. to invest in fifty thousand metric tons of existing washed stockpiled silica sand on the piece of land located on HSD 7313 PTD 2194, Mukim Penyabong, Tempat Kg. Sg. Sisek, Daerah Mersing amounting RM1,244,830.

8.2 Equity investment designated at fair value through other comprehensive income

The Company had on 19 March 2021 entered into a Subscription Agreement with Welmax Capital Sdn. Bhd. to formalise the Company's investment in Welmax Capital Sdn. Bhd. to develop its microcredit platform.

On November 2021 the Company has invested in unquoted shares with an investment amounting to RM5,000,000. The Company redeemed RM2,000,000 of the redeemable convertible preference shares on 5 April 2022 and another RM3,000,000 of the shares on 30 June 2023.

8. OTHER INVESTMENTS (CONT'D)

	Fair value as at 2023 RM	2022 RM
Welmax Capital Sdn Bhd.	–	3,000,000

9. GOODWILL

	Group 2023 RM	2022 RM
At 1 January	3,940,539	3,940,539
Addition	1,833,848	–
At 31 December	5,774,387	3,940,539

(a) Goodwill has been allocated to the Group's cash-generating unit ("CGU") identified according to business segment as follows:

	Group 2023 RM	2022 RM
System development	9,999	9,999
Secretarial services	3,930,540	3,930,540
Money lending business	1,833,848	–
	5,774,387	3,940,539

(b) Key assumptions used in value-in-use calculation

The recoverable amount of goodwill has been determined based on value-in-use calculation using financial projections based on financial budgets approved by the management.

	2023	2022
Budgeted gross profit margin	85% - 93%	93%
Pre-tax discount rate	6.85%	6.60%
Average revenue growth rate	13% - 20%	11%
Period-covered	5 years	5 years

Budgeted gross profit margin
The budgeted gross profit margin is based on the estimated gross margin approved by the Board taking into consideration the direct expenses associated with the revenue.

Pre-tax discount rate
The pretax discount rate applied to the cash flow projection is based on the weighted average cost of capital of the Group.

9. GOODWILL (CONT'D)

(b) Key assumptions used in value-in-use calculation (Cont'd)

Revenue growth rates

Revenue growth rates is based on historical revenue which has gone up approximately 10% to 15% every historical year. The assumption can be for this to continue into the forecasting period.

Period

The period cover to account for the estimated value of the goodwill is 5 years.

(c) Sensitivity to changes in assumptions

The management believes there are no reasonable possible changes in any of the key assumptions that would cause the carrying amount of the CGU to materially exceed its recoverable amount.

10. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables					
Third parties		10,405,504	5,378,409	–	–
Less: Allowance for expected credit losses					
- Third parties	**10(a)**	(1,895,775)	(986,103)	–	–
Total trade receivables		8,509,729	4,392,306	–	–
Other receivables					
Other receivables		3,619,981	3,917,586	64,427	64,426
Amounts due from subsidiaries		–	–	36,490,668	29,080,654
Amount due from related party		3,469,121	2,037,554	2,037,554	2,037,554
Deposits		5,171,417	5,337,361	259,309	266,969
Prepayments		36,355	38,359	12,830	18,838
		12,296,874	11,330,860	38,864,788	31,468,441
Other receivables					
Less: Allowance for expected credit losses					
- Third parties	**10(b)**	(3,303,126)	(3,305,555)	–	–
- Amount due from subsidiary	**10(b)**	–	–	(994,268)	(994,268)
Total other receivables		8,993,748	8,025,305	37,870,520	30,474,173
Total trade and other receivables		17,503,477	12,417,611	37,870,520	30,474,173

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables

Set out below is the movement in the allowance for expected credit losses of trade receivables :

	Group	
	2023 RM	2022 RM
At 1 January	986,103	1,073,151
Allowance for expected credit losses on trade receivables (Note 23)	1,037,187	396,601
Reversal of allowance of expected credit losses	(127,515)	(483,649)
At 31 December	1,895,775	986,103

(b) Other receivables

Set out below is the movement in the allowance for expected credit losses of other receivables (including amounts due from subsidiaries - non-trade):

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 January	3,305,555	3,301,226	994,268	994,268
Allowance for impairment on other receivables (Note 28)	–	4,329	–	–
Reversal of allowance expected credit losses	(2,429)	–	–	–
At 31 December	3,303,126	3,305,555	994,268	994,268

11. CONTRACT ASSETS

	Group	
	2023 RM	2022 RM
Current		
Amount due from contract customers	–	151,550

The contract assets primarily relate to the Group's rights to consideration for work completed on system development contracts but not yet billed at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

11. CONTRACT ASSETS (CONT'D)

11.1 Amount due from contract customer

	Group	
	2023 RM	**2022 RM**
Aggregate costs incurred to date	151,550	104,700
Attributable profits	49,600	99,200
	201,150	203,900
Less: Progress billings	(78,525)	(52,350)
Less: Allowance of expected credit losses	(122,625)	–
Amount owing by contract customers	–	151,550

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Cash at banks	1,677,461	6,035,752	289,136	5,347,945
Cash in hands	4,134	3,501	–	–
Short term money market deposits	1,400,000	–	500,000	–
	3,081,595	6,039,253	789,136	5,347,945

For the purposes of the statements of cash flows, cash and cash equivalents comprise the following as at the statements of financial position date:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Cash and bank balances	3,081,595	5,994,278	789,136	5,347,945
	3,081,595	5,994,278	789,136	5,347,945
Less: Bank overdraft	–	(44,975)	–	–
	3,081,595	5,949,303	789,136	5,347,945

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13. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2023 Units	2022 Units	2023 RM	2022 RM
At 1 January	1,113,459,590	1,014,007,590	25,308,242	22,165,558
Issuance of shares:				
- New ordinary shares	–	99,452,000	100,000	3,142,684
At 31 December	1,113,459,590	1,113,459,590	25,408,242	25,308,242

During the financial year, the Company increased shares by receiving paid up ordinary shares capital amounting to RM100,000 by way of issuance of ordinary shares through private placement for cash.

14. RESERVES

	Group and Company			
	Number of ordinary shares		Amount	
	2023 Units	2022 Units	2023 RM	2022 RM
Non-distributable				
Exchange reserves	(422,758)	(390,661)	–	–
	(422,758)	(390,661)	–	–

Exchange reserve comprise all foreign exchange difference arising from the translation of the financial statements of a foreign subsidiary.

15. TRADE AND OTHER PAYABLES

		Group		Company	
	Notes	2023 RM	2022 RM	2023 RM	2022 RM
Trade payables					
Third parties	15.1	4,693,030	2,555,693	–	–
		4,693,030	2,555,693	–	–
Other payables					
Amount due to subsidiary	15.2	–	–	1,210,210	481,366
Other payables		303,021	506,416	302,006	151,833
Accruals		1,024,058	845,453	210,799	252,186
Amount due to directors	15.2	1,841,303	–	–	–
		3,168,382	1,351,869	1,723,015	885,385
Total trade and other payables		7,861,412	3,907,562	1,723,015	885,385

15. TRADE AND OTHER PAYABLES (CONT'D)

15.1 The normal trade credit term granted to the Group and to the Company is generally 30 to 60 days (2022: 30 to 60 days) and 15 days (2022: 15 days) respectively.

15.2 Amounts owing to a subsidiary, related parties and directors are unsecured, interest-free and repayable on demand.

16. LEASE LIABILITY

		Group		Company	
	Maturity	2023 RM	2022 RM	2023 RM	2022 RM
Current					
Obligations under right-of-use asset (Note 30)	2022	395,350	299,938	19,606	24,820
		395,350	299,938	19,606	24,820
Non-current					
Obligations under right-of-use asset (Note 30)	2023 - 2024	–	260,607	–	19,478
		–	260,607	–	19,478
Total lease liability		395,350	560,545	19,606	44,298

The remaining maturities of lease liability as at 31 December 2023 are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Maturity of lease liability:				
Within one year	395,350	299,938	19,606	24,820
More than 1 year and less than 2 years	–	260,607	–	19,478
	395,350	560,545	19,606	44,298

17. DEFERRED INCOME

	Group	
	2023 RM	2022 RM
Interest on repurchase agreement	1,200	16,091

18. DEFERRED TAX LIABILITY

	Group 2023 RM	2022 RM
At 1 January	3,815	3,815
Recognised in profit or loss	–	–
At 31 December	3,815	3,815

The components and movements of deferred tax liabilities are as follows:

	Accelerated capital allowances RM	Total RM
At 1 January/31 December 2023	3,815	3,815
At 1 January/31 December 2022	3,815	3,815

19. REVENUES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from contract with customers	11,585,457	7,890,412	–	–

19. REVENUES (CONT'D)

19.1 Disaggregration of revenue

	Reportable segment			
	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Primary geographical markets				
Malaysia	11,585,457	7,890,412	–	–
Major products and service lines				
Service maintenance	49,600	205,900	–	–
Secretarial services	5,727,212	4,573,072	–	–
Share registration services	1,911,157	1,509,144	–	–
Retail and investment	400,000	–	–	–
Mining and trading of mineral resources	3,257,488	1,602,296	–	–
Money lending bussiness	240,000	–	–	–
	11,585,457	7,890,412	–	–
Timing of revenue recognition				
Goods transferred at a point in time	11,535,857	7,684,512	–	–
Services transferred over time	49,600	205,900	–	–
Total revenue from contracts with customers	11,585,457	7,890,412	–	–

19.2 Nature of goods and services

The following information reflects the typical transactions of the Group and the Company:

Nature of goods or services	Timing of recognition or method	Significant payment terms
Service and maintainance	Revenue is recognised overtime based on the contract period as and when the services are rendered.	30 days from the date of invoice.
Secretarial services	Revenue is recognised at the point of time when the services are delivered and accepted by the customers	30 days from the date of invoice.

20. OTHER OPERATING INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Rental income	34,358	–	34,358	190,818
Reversal of impairment loss on trade and other receivables	129,944	486,078	–	–
Others	41,675	50,139	53,410	44,139
	206,157	536,217	87,948	234,957

21. DIRECTORS' REMUNERATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Fees	247,589	229,135	247,589	229,135
Total directors' remuneration (Note 31.1b)	247,589	229,135	247,589	229,135

22. STAFF COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, wages, allowance, overtime and bonus	3,778,871	2,505,157	–	–
EIS	3,689	2,724	–	–
EPF	445,722	340,149	–	–
SOCSO	33,078	22,340	–	–
Insurance	–	1,954	–	–
Others	98,810	364,895	12,308	4,234
	4,360,170	3,237,219	12,308	4,234

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23. PROFIT BEFORE TAX

Included in the other operating expenses is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Allowance for expected credit losses on trade and other receivables (Note 10)	1,037,187	399,030	–	–
Auditors remuneration:				
- current year	225,000	192,500	165,000	192,500
Depreciation of property, plant and equipment	998,257	624,701	422,020	478,188
Depreciation of right of use assets (Note 5)	502,416	225,038	185,238	178,236
Finance costs on right of use assets (Note 5)	61,271	41,471	26,119	35,597
Allowance for expected credit losses for contract assets	122,625	–	–	–

24. FINANCE COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expense on:				
Obligations under right-of-use	61,271	41,471	26,119	35,597

25. INCOME TAX EXPENSES

Major components of income tax expense

The major components of income tax expense for the financial year ended 31 December 2023 and 31 December 2022 are:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Statements of comprehensive income:				
Current income tax				
Malaysian income tax	454,330	606,371	–	–
Income tax expense recognised in statement of profit and loss and other comprehensive income	454,330	606,371	–	–

25. INCOME TAX EXPENSES (CONT'D)

Reconciliations between tax expense and accounting loss

The reconciliations between tax expense and the accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 31 December 2023 and 31 December 2022 are as follows:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
(Loss)/Profit before tax	(688,954)	166,060	(1,511,082)	(1,399,657)
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)*	(165,349)	39,854	(362,660)	(335,918)
Effect of expenses not deductible for tax purposes	456,756	475,370	310,095	254,923
Deferred tax assets not recognised	162,923	94,002	52,565	80,995
Income tax expense recognised in statement of comprehensive income	454,330	609,226	–	2,400

Deferred tax assets have not been recognised on the following items:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Unutilised capital allowances	401,676	401,676	396,902	396,902
Unabsorbed tax losses	18,610,679	17,931,833	15,457,639	15,238,618

* Malaysia subsidiary income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year.

26. LOSS PER SHARE

(a) The basic loss per share has been calculated based on the consolidated loss after taxation for the financial period attributable to owners of the Company for the Group and the weighted average number of ordinary shares in issue during the financial year are as follows:

	Group	
	2023 RM	**2022 RM**
Net loss for the financial year attributable to owners of the Company	(1,143,285)	(440,311)

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26. LOSS PER SHARE (CONT'D)

(a) The basic loss per share has been calculated based on the consolidated loss after taxation for the financial period attributable to owners of the Company for the Group and the weighted average number of ordinary shares in issue during the financial year are as follows: (Cont'd)

	Number of shares '000	Number of shares '000
Weighted average number of ordinary shares in issue (unit '000)	1,113,460	1,032,731

	Group	
	2023	2022
Basic loss per share (sen per share)	(0.10)	(0.04)

(b) Fully diluted loss per share

Diluted loss per share is equal to the basic loss per share because the conversion have an anti-dilutive effect.

27. OPERATING SEGMENTS

Segment information is primarily presented in respect of the Group's business segment which based on the Group's management and internal reporting structure. There is no information on business segments as the Group is principally involved in the provision of computerised maintenance management systems and other information technology services such as systems intergration, support services and training.

Segment revenue, results, assets and liabilities include items directly attributable to a segment and those where a reasonable basis of allocation exists. Inter-segment revenue is eliminated on consolidation.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors.

27. OPERATING SEGMENTS (CONT'D)

The accounting policies of the segments are consistent with the accounting policies of the Group.

	Malaysia RM	United States of America RM	Inter-segment Eliminations RM	Total RM
31 December 2023				
Revenue				
Total Revenue	11,585,457	–	–	11,585,457
Results				
Segment operating results				
Included in the segment profit/(loss) are:				
Depreciation and amortisation	(998,257)	–	–	(998,257)
Interest income	–	–	–	–
Assets				
Segment assets	30,383,532	–	–	30,383,532
Segment liabilities	8,420,495	–	–	8,420,495
31 December 2022				
Revenue				
Total Revenue	7,890,412	–	–	7,890,412
Results				
Segment operating results	–	–	–	–
Included in the segment profit/(loss) are:				
Depreciation and amortisation	(624,701)	–	–	(624,701)
Interest income	102,255	–	–	102,255
Assets				
Segment assets	27,719,255	127	–	27,719,382
Segment liabilities	2,912,239	1,768,724	–	4,680,963

27. OPERATING SEGMENTS (CONT'D)

All the inter-segment transactions were carried out on normal commercial basis and in the ordinary course of business.

Major customers

The following are major customers with revenue equal or more than 10% of the total group revenue:

	Group	
	2023 RM	**2022 RM**
Customer A	–	1,602,296
	–	1,602,296

28. FINANCIAL INSTRUMENTS

28.1 Categories of financial instruments

The table below provides an analysis of financial instruments as at 31 December 2023 categorised as follows:

(i) Amortised cost ("AC")
(ii) Fair value through other comprehensive income ("FVOCI")

31 December 2023	**Carrying amount RM**	**FVOCI RM**	**AC RM**
Financial assets			
Group			
Other investments	1,244,830	–	1,244,830
Trade and other receivables	17,503,477	–	17,503,477
Cash and cash equivalents	3,081,595	–	3,081,595
	21,829,902	–	21,829,902
Financial assets			
Company			
Trade and other receivables	37,870,520	–	37,870,520
Cash and cash equivalents	789,136	–	789,136
	38,659,656	–	38,659,656

28. FINANCIAL INSTRUMENTS (CONT'D)

28.1 Categories of financial instruments

Financial liabilities	Carrying amount RM	AC RM
Group		
Trade and other payables	7,861,412	7,861,412
Company		
Trade and other payables	1,723,015	1,723,015

The table below provides an analysis of financial instruments as at 31 December 2022 categorised as follows:

(i) Amortised cost ("AC")
(ii) Fair value through other comprehensive income ("FVOCI")

31 December 2022	Carrying amount RM	FVOCI RM	AC RM
Financial assets			
Group			
Other investments	3,000,000	3,000,000	–
Trade and other receivables	12,417,611	–	12,417,611
Contract assets	151,550	–	151,550
Cash and cash equivalents	6,039,253	–	6,039,253
	21,608,414	3,000,000	18,608,414
Company			
Other investments	3,000,000	3,000,000	–
Trade and other receivables	30,474,173	–	30,474,173
Cash and cash equivalents	5,347,945	–	5,347,945
	38,822,118	3,000,000	35,822,118

28. FINANCIAL INSTRUMENTS (CONT'D)

28.1 Categories of financial instruments

	Carrying amount RM	AC RM
Financial liabilities		
Group		
Trade and other payables	3,907,562	3,907,562
Company		
Trade and other payables	885,385	885,385

28.2 Net gain or losses arising from financial instruments

	Company	
	2023 RM	2022 RM
Net (losses)/gain on:		
Debts instruments designated at fair value through other comprehensive income		
- recognised in other comprehensive income	–	32,614
	–	32,614

28.3 Financial risk management

The Group has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

28.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer and investment in debt securities. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.4 Credit risk (Cont'd)

Trade receivables and contract assets

Risk management objectives, policies, and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees given by banks, shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group and the Company assess whether any of the trade receivables and contract assets are credit impaired

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine 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 and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Company. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 30 days, which are deemed to have higher credit risk, are monitored individually.

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	Group	
	2023	**2022**
	RM	**RM**
Malaysia	8,509,729	4,392,306

28. FINANCIAL INSTRUMENTS (CONT'D)

28.4 Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment loss

In managing credit risk of trade receivables and contract assets, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 days.

The Group uses an allowance matrix to measure ECLs of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk for trade receivables as at 31 December 2023 which are grouped together as they are expected to have similar risk nature.

	Gross amount RM	carrying allowance RM	Loss Net balance RM
31 December 2023			
Group			
Current (not past due)	1,072,370	–	1,072,370
1 - 30 days past due	3,061,359	(436,528)	2,624,831
31 - 60 days past due	600,828	–	600,828
61 - 90 days past due	1,220,038	(28,196)	1,191,842
More than 90 days past due	4,450,909	(1,428,622)	3,022,287
	10,405,504	(1,893,346)	8,512,158
31 December 2022			
Group			
Current (not past due)	983,292	–	983,292
1 - 30 days past due	497,154	(521)	496,633
31 - 60 days past due	750,372	(4,250)	746,122
61 - 90 days past due	64,253	–	64,253
More than 90 days past due	3,083,338	(981,332)	2,102,006
	5,378,409	(986,103)	4,392,306

28. FINANCIAL INSTRUMENTS (CONT'D)

28.4 Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The movement in the allowance for impairment loss of trade receivables during the year are as follows:

	Group	
	2023	**2022**
	RM	**RM**
At beginning of the year	986,103	1,073,151
Impairment loss	1,037,187	399,030
Reversal of impairment loss	(127,515)	(486,078)
At end of the year	1,895,775	986,103

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from deposits and prepayments paid for expenditures and amount deposits in stakeholder account which represents the balance of contingent consideration for acquisition of ASAP Sdn Bhd. and remaining balance from private placement. These deposits and prepayments will be charge out to profit or loss or financial positions when it met criteria for recognition.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The movement in the allowance for impairment loss of other receivables during the year are as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
At beginning of the year	3,305,555	3,301,226	994,268	994,268
Impairment loss	–	4,329	–	–
- Reversal of impairement loss	(2,429)	–	–	–
At end of the year	3,303,126	3,305,555	994,268	994,268

28. FINANCIAL INSTRUMENTS (CONT'D)

28.4 Credit risk (Cont'd)

Financial guarantees

Exposure to credit risk, credit quality and collateral

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The exposure of credit risk for trade receivables as at end of the financial year by geographic region was:

	Group	
	2023	**2022**
	RM	**RM**
Domestic	8,509,729	4,392,306

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries and related companies.

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount in the statement of financial position. The Company does not specifically monitor the ageing of the advances to the subsidiaries and related companies. Nevertheless, these advances are repayable on demand.

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full; and
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.4 Credit risk (Cont'd)

Inter-company loans and advances (Cont'd)

Amount due from subsidiaries that are impaired at the reporting date and the movement of the allowance accounts used to to record the impairment are as follows:

	Company	
	2023	**2022**
	RM	**RM**
Individually not impaired		
Amount due from a subsidiary - nominal amount	35,496,400	28,086,386
Individually impaired		
Amount due from a subsidiary - nominal amount	–	994,268
	35,496,400	29,080,654
Individually impaired	–	(994,268)
Net amount	35,496,400	28,086,386

Movement in allowance account used to record the impairment is as follow:

	Company	
	2023	**2022**
	RM	**RM**
At beginning/at the end of the year	–	994,268

28.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.5 Liquidity risk (Cont'd)

Maturity Analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

	Carrying amount RM	Contractual cash flows RM	Under 1 year RM
31 December 2023			
Group			
Trade and other payables	7,681,412	7,681,412	7,681,412
Company			
Trade and other payables	1,723,015	1,723,015	1,723,015
31 December 2022			
Group			
Trade and other payables	3,907,562	3,907,562	3,907,562
Company			
Trade and other payables	885,385	885,385	885,385

28.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

28.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the foreign currency movement on a portfolio basis.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.6 Market risk (Cont'd)

28.6.1 Currency risk (Cont'd)

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows:

Group	Denominated in USD RM
31 December 2023	
Balances recognised in the statement of financial position	–
Trade and other payables	–
Net exposure	–
31 December 2022	
Balances recognised in the statement of financial position	
Trade and other payables	11,659
Net exposure	11,659

Currency risk sensitivity analysis

A 0% (2022: 10%) strengthening of the Malaysia Ringgit against the following currencies at the end of the reporting period would have decreased post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant.

	Profit or loss	
	2023 RM	2022 RM
USD	–	(1,166)

A 10% (2022: 10%) weakening of Malaysia Ringgit against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.6 Market risk (Cont'd)

28.6.2 Interest rate risks

The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income. The Group manages the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing risks.

Exposure to interest rate risk

The Group and the Company does not have any significant interest-bearing financial instruments as at the end of reporting period.

Interest rate sensitivity analysis

An increase in market interest rates by 1% (2022: 1%) on financial assets and liabilities of the Group which have variable interest rates at the reporting date would not have material impact to the Group profit net of tax.

A decrease in market interest rates by 1 on financial assets and liabilities of the Group which have variable interest rates at the reporting date would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

28.6.3 Other price risk

The Group and the Company do not have any quoted investments and hence is not exposed to equity price risk.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

	Fair value of financial instruments Level 1 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
31 December 2023					
Group/Company					
Financial assets					
Other investments	–	1,244,830	1,244,830	–	–
31 December 2022					
Group/Company					
Financial assets					
Other investments	–	3,000,000	3,000,000	–	–

The fair value of bond investment was derived based on the market value provided by the bank.

The fair value of investment in Cworks Sdn. Bhd. is derived based on the share of net assets in the company. In prior year,the investment is stated at cost due to lack of market prices and the fair value cannot be measured reliably without incurring excessive cost.

There were no material transfers between Level 1, Level 2 and Level 3 during the financial year.

29. CAPITAL MANAGEMENT

The objective of the Group on capital management is to ensure that it maintains a strong credit rating and safeguard the Group's ability to continue as a going concern, so as to support its business, maintain the market confidence and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts.

	Group 2023 RM	2022 RM
Finance lease payable	395,350	560,545
Trade and other payables	7,861,412	3,907,562
Less: Cash and bank balances	(3,081,595)	(6,039,253)
Net debt	5,175,167	(1,571,146)
Total equity	25,408,242	23,038,419
Total net debt and equity	30,583,409	21,467,273
Net debt to net debt and equity ratio	17%	0%

30. LEASE COMMITMENT

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
Minimum lease payment:				
Not later than 1 year	663,242	335,111	44,298	27,600
Later than 1 year but not later than 2 years	380,743	276,960	–	20,700
Total minimum lease payments	1,043,985	612,071	44,298	48,300
Less: Future finance charges	(341,870)	(51,526)	(24,692)	(4,002)
Present value of minimum lease payments	702,115	560,545	19,606	44,298
Analysis of present value of finance lease liabilities:				
Not later than 1 year	–	299,938	19,606	24,820
Later than 1 year but not later than 2 years	395,350	260,607	–	19,478
	395,350	560,545	19,606	44,298
Less: Amount due within 12 months	(395,350)	(299,938)	(19,606)	(24,820)
Amount due after 12 months	–	260,607	–	19,478

The Group has entered into rental agreement for building as disclosed in Note 5. The lease liability payable of the Group and the Company bore effective interest rate of 6.28% (2022: 6.28%).

31. RELATED PARTIES

31.1 Identity of related parties

The Company has related party relationship with:

(i) Its subsidiary and associates companies as disclosed in Note 7 and to the financial statements; and
(ii) The directors who are the key management personnel.

Related parties	Relationships
CFR Sdn. Bhd.	Related by a common Director, who is a shareholder of the company.
Cworks Sdn. Bhd.	Related by a common director of the company.
Sukaniaga Sdn.Bhd.	Related by a common director of the company.
Tekad Maju Solutions Sdn. Bhd.	Related by a common director, who is a shareholder of the company.
MyAngkasa Az Zahra Sdn. Bhd.	Related by a common director of the company.
Ganda Integrasi Sdn. Bhd.	Subsidiary of Aldrich Resources Berhad.
Aldrich Minerals Sdn. Bhd.	Subsidiary of Aldrich Resources Berhad.
ASAP Sdn. Bhd.	Subsidiary of Aldrich Resources Berhad.
Aldrich Capital Sdn. Bhd.	Subsidiary of Aldrich Resources Berhad.

a) The aggregate value of transactions and outstanding balances of the related parties of the Group and the Company were as follows:The aggregate value of transactions and outstanding balances of the related parties of the Group and the Company were as follows:

Group Name of related	Type of party transaction	Transaction value 2023 RM	 2022 RM	Balance outstanding as at 31 December 2023 RM	 2022 RM
Other related parties:-					
- MyAngkasa Az Zahra Sdn. Bhd.	Sales	–	521	–	521
- Sukaniaga Sdn. Bhd.	Sales	–	8,305	–	8,305
With subsidiaries:					
- Ganda Integrasi Sdn. Bhd.	Advances	1,070,200	18,150,186	20,390,979	19,320,779
- ASAP Sdn. Bhd.	Advances	92,018	630,494	3,782,625	3,690,607
- Aldrich Minerals Sdn. Bhd.	Advances	2,399,997	4,999,900	7,399,897	4,999,900
- Aldrich Capital Sdn. Bhd.	Payment on behalf	150,010	–	150,010	–
	Advances	3,022,701	75,000	3,097,701	75,000
- Boardroom.com	Payment on behalf	1,060,000	–	1,060,000	–
	Advances	825,198	–	825,198	–

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

31. RELATED PARTIES (CONT'D)

31.1 Identity of related parties (Cont'd)

b) The aggregate value of transactions and outstanding balances of the related parties of the Group and the Company were as follows:

The remuneration of Directors and othe members of key management during the financial year were as follows:

	Group		Company	
	2023 **RM**	**2022** **RM**	**2023** **RM**	**2022** **RM**
Directors remuneration				
- Fees	247,589	229,135	247,589	229,135
	247,589	229,135	247,589	229,135

32. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 23 April 2024.

ANALYSIS OF SHAREHOLDINGS
AS AT 1 APRIL 2024

Class of Shares	:	Ordinary Shares
Total Number of Issued Shares	:	1,113,459,590
Voting Rights	:	One vote for each ordinary share held

SHAREHOLDING DISTRIBUTION SCHEDULE (AS PER THE RECORD OF DEPOSITORS)

Size of Holdings	No. of shareholders	No. of shares	Percentage of Shares (%)
1 – 99	14	467	*
100 - 1,000	439	142,556	0.01
1,001 - 10,000	1,083	7,938,405	0.71
10,001 - 100,000	2,492	120,348,752	10.81
100,001 to less than 5% of issued shares	1,091	985,029,410	88.47
5% and above of issued shares	0	0	0.00
Total	**5,119**	**1,113,459,590**	**100.00**

** Less than 0.01%*

DIRECTORS' SHAREHOLDINGS

		No. of Shares held		No. of Shares held	
No.	Name of Directors	Direct	Percentage of shares held (%)	Indirect	Percentage ofshares held (%)
1	YAHYA BIN RAZALI	–	–	–	–
2	CHAN YOK PENG	35,000,000	3.14	–	–
3	ABDUL RANI BIN ACHMED ABDULLAH	85,072	0.01	–	–
4	ER KIAN HONG	–	–	–	–
5	LEONG YIEN HUNG	–	–	–	–

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELOGING TO THE SAME PERSON)

No.	Name of Shareholders	No. of Shares	Percentage of shares held (%)
1	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. KEJAYA KAYA SDN BHD FOR WELMAX CAPITAL SDN. BHD.	50,000,000	4.49
2	WEALTHMAX ASSETS SDN BHD	48,400,000	4.35
3	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOO CHEE SIANG (M&A)	40,000,000	3.59
4	LEMUEL TAY KUANG YANG	36,655,000	3.29
5	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOW DAI YING (M&A)	36,000,000	3.23

ANALYSIS OF SHAREHOLDINGS

(CONT'D)

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELOGING TO THE SAME PERSON)

No.	Name of Shareholders	No. of Shares	Percentage of shares held (%)
6	KOH KIN LIP	20,000,000	1.80
7	KOH CHEE MENG	16,536,000	1.49
8	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH LAP HING (021)	16,134,000	1.45
9	M & A NOMINEE (TEMPATAN) SDN BHD MAJESTIC SALUTE SDN BHD FOR CHAN YOK PENG	15,000,000	1.35
10	SIM LAY KIEW	13,711,000	1.23
11	TAY GUAT ENG @ TAI GUAT ENG	13,500,000	1.21
12	TAY GUAT ENG @ TAI GUAT ENG	13,300,000	1.19
13	KOH LAP HING	11,882,200	1.07
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR MOHAMED NIZAM BIN ABDUL RAZAK (12020513) (429764)	11,800,000	1.06
15	CHE KHULSOM BINTI YAKOB	10,000,000	0.90
16	KEJAYA KAYA SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHAN YOK PENG	10,000,000	0.90
17	KOH KIN LIP	10,000,000	0.90
18	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOAY KEAT CHYE (PNG)	10,000,000	0.90
19	YEOH SENG LIONG @ YEOH PHAIK KEE	10,000,000	0.90
20	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YONG SIEW YEE (M19)	9,500,000	0.85
21	YONG KIAN KEONG	8,650,700	0.78
22	M & A NOMINEE (TEMPATAN) SDN BHD FOR CHUNG ENG LAM	8,600,000	0.77
23	M & A NOMINEE (TEMPATAN) SDN BHD FOR KOH LAP HING	8,600,000	0.77
24	ONG KENG SENG	8,594,000	0.77
25	YEN TIEN FOOK	7,000,500	0.63
26	LAM KONG YEN	6,000,000	0.54
27	TENG CHUAN HENG	6,000,000	0.54
28	CHUNG KIN CHUAN	5,716,600	0.51
29	MAK TECK KIONG	5,500,000	0.49
30	KOK YEW FATT	5,000,000	0.45
		472,080,000	**42.40**

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First Annual General Meeting ("**21st AGM**") of the Company will be held on a virtual basis through live streaming and online remote voting at the Broadcast Venue at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur on Tuesday, 25 June 2024 at 10.00 a.m. or at any adjournment thereof for the following purposes:-

AGENDA
AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. *(Please refer Explanatory Notes 1)*

2. To approve the payment of Directors' fees and benefits up to RM500,000.00 to the Directors in such manner as the Directors may determine for the period immediately after the 21st AGM until the conclusion of the next Annual General Meeting of the Company in year 2025. *Ordinary Resolution 1*

3. To re-elect the following Directors who retire by rotation pursuant to Clause 134 of the Constitution of the Company and being eligible, have offered themselves for re-election: -

   (i) Mr. Chan Yok Peng *Ordinary Resolution 2*
   (ii) Dr. Abdul Rani bin Achmed Abdullah *Ordinary Resolution 3*

4. To note the retirement of Messrs. Al Jafree Salihin Kuzaimi PLT as Auditors of the Company at the conclusion of the 21st AGM. *(Please refer Explanatory Notes 4)*

   AS SPECIAL BUSINESS

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

5. **PROPOSED AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** *Ordinary Resolution 4*

   "THAT subject to Sections 75 and 76 of the Companies Act 2016 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons, firms or corporations and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued share capital of the Company or such higher percentage as Bursa Malaysia Securities Berhad allowed for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company.

   AND THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 65 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with existing issued shares in the Company."

6. To transact any other business of which due notice have been given in accordance with the Companies Act 2016.

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

(CONT'D)

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482) (SSM PC No. 202208000250)
Company Secretary

Kuala Lumpur
Dated: 30 April 2024

Notes:

i. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman to be present at the main venue of the 21st AGM. NO MEMBERS/ PROXIES/ CORPORATE REPRESENTATIVES/ ATTORNEYS from the public shall be physically present at the Broadcast Venue on the day of the 21st AGM.

ii. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate (including to pose questions to the Board of Directors ("**Board**") of the Company) and vote in his stead. Please read and follow the procedures as set out in the Administrative Guide of the 21st AGM which can be downloaded from Company's announcement on Bursa Malaysia Berhad's website or Company's website at www.aldrich.my in order to register, participate and vote remotely via the Remote Participation and Voting facilities ("**RPV**") provided by Digerati Technologies Sdn Bhd in Malaysia via its portal website at https://aldrich-agm.digerati.com.my. Members/ proxies/ corporate representatives/ attorneys may use the query box facility to submit questions real time during the 21st AGM. Members may also send questions 48 hours before the meeting to admin@aldpro.com.my in relation to the agenda items for the 21st AGM.

iii. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of his/her shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.

iv. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.

v. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

vi. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the office of the Share Registrar of the Company situated at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

vii. Subject to the Constitution, members may deposit the instrument appointing the proxy by electronics means by way of submitting the instrument to the e-mail address admin@aldpro.com.my not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

viii. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.

ix. For the purpose of determining a member who shall be entitled to attend the 21st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 77 of the Company's Constitution and the Securities Industry (Central Depositories) Act, 1996 to issue a General Meeting Record of Depositors as at 14 June 2024. Only a depositor whose name appears on the Record of Depositors as at 14 June 2024 shall be entitled to attend the said meeting remotely or appoint proxies to attend remotely and vote on his/her behalf.

x. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), all the resolutions set out in this Notice will be put to vote by way of poll.

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

(CONT'D)

Explanatory Notes:

1. Audited Financial Statements for the financial year ended 31 December 2023

   This item of the Agenda is for discussion purposes only, as Section 340(1)(a) of the Companies Act 2016 does not require the shareholders to formally approve the Audited Financial Statements. Therefore, this item will not be put forward for voting.

2. Ordinary Resolution 1 – Directors' fees and benefits

   Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

   The proposed Ordinary Resolution 1, if approved, will authorise the payment of Directors' fees and benefits for the period immediately after the 21st AGM until the conclusion of the next Annual General Meeting of the Company in year 2025.

   The Non-Executive Directors had abstained from deliberation and voting on their own respective fees and benefits.

3. Ordinary Resolutions 2 and 3 – Re-election of Directors pursuant to Clause 134 of the Company's Constitution

   Clause 134 of the Constitution of the Company provides that at the Annual General Meeting in every subsequent year, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office once at least in each three (3) years but shall be eligible for re-election.

   The performance of each Director who is recommended for re-election has been assessed through the Board annual evaluation. The Nomination Committee and the Board are satisfied with the performance and effectiveness of Mr. Chan Yok Peng and Dr. Abdul Rani bin Achmed Abdullah who are due for retirement as Directors, and being eligible, have offered themselves for re-election at the 21st AGM.

   They had abstained from deliberation and decision on their own eligibility to stand for re-election at the relevant Board meeting.

4. Retirement of Auditors

   Messrs. Al Jafree Salihin Kuzaimi PLT has recently informed the Company of their decision to not seek re-appointment as Auditors of the Company at the 21st AGM. As such, the term of office of Messrs. Al Jafree Salihin Kuzaimi PLT shall end upon the conclusion of the 21st AGM.

   Further announcement would be released in due course once the proposed appointment of new Auditors has been confirmed.

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

(CONT'D)

Explanatory Notes: (Cont'd)

5. Special Business
Ordinary Resolution 4 - Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 4, if passed, is a general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company.

The General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions at any time without convening a general meeting as it would be both costs and time consuming to organize a general meeting.

As at the date of the Notice, no shares were issued pursuant to the general mandate granted to the Directors at the 20th AGM held on 23 June 2023 and which will lapse at the conclusion of the 21st AGM.

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 65 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

Section 85(1) of the Companies Act 2016 provides as follows:

"85. Pre-emptive rights to new shares
(1) Subject to the constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 65 of the Constitution of the Company provides as follows:
"65. Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares or other convertible securities shall before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or other convertible securities to which they are entitled. The offer shall be made by notice specifying the number of shares or other convertible securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or other convertible securities offered, the Directors may dispose of those shares or other convertible securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to shares or other convertible securities which (by reason of the ratio which the new shares or other convertible securities bear to shares or other convertible securities held by persons entitled to an offer of new shares or other convertible securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution."

The proposed Ordinary Resolution, if passed, will exclude your pre-emptive right to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

STATEMENT ACCOMPANYING
NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

There is no person seeking election as Director of the Company at this 21st AGM.

Details of the general mandate to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in the Explanatory Note 5 of the Notice of 21st AGM.

ADMINISTRATIVE GUIDE
for 21st Annual General Meeting ("AGM")

Meeting Day and Date	:	Tuesday, 25 June 2024
Time	:	10.00 a.m. or at any adjournment thereof
Broadcast Venue	:	will be conducted on a virtual basis through live streaming and online remote voting via the remote participation and voting (RPV) facilities at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur.
Meeting Platform	:	https://aldrich-agm.digerati.com.my (Domain registration number D1A119533)

1. Virtual Meeting

1.1 The Board of Directors ("the Board") and Management have decided that the meeting will be conducted entirely virtual through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities.

1.2 Kindly ensure that you are connected to the internet at all times in order to participate and/or vote at our virtual Meeting. Therefore, it is your responsibility to ensure that connectivity for the duration of the Meeting is maintained. Kindly note that the quality of the live webcast is dependent on the bandwidth and stability of the internet connection of the participants. The Company, the Board and its management, registrar and other professional advisers (if any) shall not be held responsible or be liable for any disruption in internet line resulting in the participants being unable to participate and/or vote at the Meeting.

2. Entitlement to Participate and Vote

2.1 Only depositors whose names appear on the Record of Depositors as at **14 June 2024** shall be entitled to participate and/or vote at the meeting or appoint proxy(ies) / corporate representative(s) to participate and/or vote on his/her behalf by returning the duly executed Form(s) of Proxy.

3. Appointment of Proxy

3.1 If you are unable to attend and participate at the meeting via RPV facilities, you may appoint a proxy or the Chairman of the Meeting as your proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

3.2 The instrument appointing a proxy and the power of attorney or other authority i.e. the corporate representatives/ authorised nominees or exempt authorised nominees who wishes to attend and participate at the meeting via RPV facilities, please ensure the duly executed original Form(s) of Proxy or the original / duly certified Certificate(s) of Appointment of its corporate / authorised representative / power of attorney / letter of authority or other documents proving authority must be deposited to Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan or email to admin@aldpro.com.my at least 48 hours before the time appointed for holding the meeting i.e. not later than **Sunday, 23 June 2024 at 10.00 a.m**.

4. Submission of Questions

4.1 Members and proxies may submit their questions via the real time submission of typed texts through a text box at https://aldrich-agm.digerati.com.my during the live streaming of the AGM. The questions and/or remarks submitted by the shareholders and/or proxies will be broadcasted and responded by the Chairman/Board/ relevant adviser during the meeting.

ADMINISTRATIVE GUIDE

(CONT'D)

5. Voting Procedure

5.1 Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the Meeting will be conducted by poll.

5.2 For the purpose of the Meeting, e-Voting can be carried out using personal smart mobile phones, tablets, personal computers or laptops.

5.3 The polling will commence from the scheduled starting time of the Meeting and close upon the Chairman announces the closing of voting period towards the end of the Meeting after the question-and-answer session.

5.4 The Independent Scrutineer will verify the poll results reports upon closing of the poll session by the Chairman. Thereafter, the Chairman will announce and declare whether the resolutions put to vote were successfully carried or not.

6. Remote Participation and Voting ("RPV")

6.1 Please note that all shareholders including (i) individual shareholders; (ii) corporate shareholders; (iii) authorised nominees; and (iv) exempt authorised nominees, and proxies shall use the RPV facilities to participate and/or vote remotely at the meeting [(ii) to (iv) through their authorised representatives].

6.2 If you wish to participate in the Meeting, you will be able to view a live webcast of the Meeting, pose questions and/ or submit your votes in real time whilst the Meeting is in progress.

6.3 Kindly follow the procedures to register for RPV.

Procedures To Remote Participation And Voting Facilities (RPV)

Members/proxies/corporate representatives/attorneys who wish to participate the 21st AGM remotely using RPV must follow the following procedures:-

Step	Action	Procedure
A	To register as a user at website: https://aldrich-agm.digerati.com.my	• Click 'Register' to sign up as new user. • Upload your identity documents. • Complete & submit your registration. • Verify your email at your mailbox to complete the registration. • You will be notified upon successful or rejected registration. • You may pose your question, if any, to the Chairman/Board using the website. • Within three (3) days before the AGM, you will be notified with login credentials to join the meeting upon approval. • Please check your spam mailbox if you do not receive emails from us. • Registered user and proxy may skip this step. • Identity documents will be deleted after registration.

ADMINISTRATIVE GUIDE

(CONT'D)

Step	Action	Procedure
B	To appoint proxy or corporate representative at website (optional)	• Login your registered account at the website. • Select "**ALDRICH 21st AGM**". • Fill up the information to appoint proxy(s). • Closing time for appointment is 48 hours prior to the meeting. No request will be entertained after closing time. • Within 3 days before the AGM, you and your proxy(s) will be notified upon approval or rejection of RPV.
C	On the day of AGM	• Access the meeting through the link on the website or received in the email. • If you have any questions for the Chairman/Board, utilize the Q&A section to submit your questions. • Submit your vote within a specified period once the Chairman announces that the voting is open. • Voting will close upon the expiry of the voting period. • The broadcast will terminate upon the Chairman's announcement of the poll results.

Enquiry

If you have any enquiries prior to the AGM, please contact the following during office hours from Mondays to Fridays from 9.00a.m. to 5.30p.m. (except public holiday): -

The Share Registrar

Aldpro Corporate Services Sdn. Bhd.

Address	:	B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan
Email Address	:	admin@aldpro.com.my
Contact Persons	:	Ms. Rachel Chua / Ms. Martini / Mr. Simon Teo
Telephone No.	:	+603 9770 2200

OR

RPV Technical Support

If you have any enquiry in relation to registration, logging in and system related, please contact the Technical Support:

Technical Support	:	Digerati Technologies Sdn. Bhd.
Tel No.	:	+6011-6338 8316
Email	:	support@digerati.com.my

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ALDRICH RESOURCES BERHAD
[Registration No. 200101019222 (554979-T)]
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	-	-
No. of Shares Held		

*I / We ____
(FULL NAME IN BLOCK LETTERS)

(NRIC No./ Company Registration No./ Passport No. ________________________________)

of ____
(FULL ADDRESS)

being a member/members of **ALDRICH RESOURCES BERHAD**, hereby appoint

Name of Proxy	**NRIC No./Passport No.**	**% of Shareholdings to be Represented**
Address		
Email Address	**Contact No.**	

and/or

Name of Proxy	**NRIC No./Passport No.**	**% of Shareholdings to be Represented**
Address		
Email Address	**Contact No.**	

or failing *him/her, the CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Twenty-First Annual General Meeting ("21st AGM" or "Meeting") of the Company to be held on a virtual basis through live streaming and online remote voting at the broadcast venue at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur ("Broadcast Venue") on **Tuesday, 25 June 2024 at 10.00 a.m.** or at any adjournment thereof.

	Ordinary Resolutions:	**FOR**	**AGAINST**
1.	To approve the payment of Directors' fees and benefits up to RM500,000.00 to the Directors in such manner as the Directors may determine for the period immediately after the 21st AGM until the conclusion of the next Annual General Meeting of the Company in year 2025.		
2.	To re-elect Mr Chan Yok Peng as Director of the Company.		
3.	To re-elect Dr Abdul Rani bin Achmed Abdullah as Director of the Company.		
4.	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

(Please indicate with an "X" in the space provided on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion).

Dated this __________ day of ________________, 2024.

____
Signature / Common Seal of member

Notes:

i. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman to be present at the main venue of the 21st AGM. NO MEMBERS/ PROXIES/ CORPORATE REPRESENTATIVES/ ATTORNEYS from the public shall be physically present at the Broadcast Venue on the day of the 21st AGM.

ii. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate (including to pose questions to the Board of Directors ("Board") of the Company) and vote in his stead. Please read and follow the procedures as set out in the Administrative Guide of the 21st AGM which can be downloaded from Company's announcement on Bursa Malaysia Berhad's website or Company's website at www.aldrich.my in order to register, participate and vote remotely via the Remote Participation and Voting facilities ("**RPV**") provided by Digerati Technologies Sdn Bhd in Malaysia via its portal website at https://aldrich-agm.digerati.com.my. Members/ proxies/ corporate representatives/ attorneys may use the query box facility to submit questions real time during the 21st AGM. Members/ proxies/ corporate representatives/ attorneys may use the query box facility to submit questions real time during the 21st AGM. Members may also send questions 48 hours before the meeting to admin@aldpro.com.my in relation to the agenda items for the 21st AGM.

iii. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of his/her shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.

iv. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.

v. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

vi. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the office of the Share Registrar of the Company situated at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

vii. Subject to the Constitution, members may deposit the instrument appointing the proxy by electronics means by way of submitting the instrument to the e-mail address at admin@aldpro.com.my not less than forty-eight (48) hours before the time for holding the meeting or adjourned not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

viii. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.

ix. For the purpose of determining a member who shall be entitled to attend the 21st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 77 of the Company's Constitution and the Securities Industry (Central Depositories) Act, 1996 to issue a General Meeting Record of Depositors as at 14 June 2024. Only a depositor whose name appears on the Record of Depositors as at 14 June 2024 shall be entitled to attend the said meeting remotely or appoint proxies to attend remotely and vote on his/her behalf.

x. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all the resolutions set out in this Notice will be put to vote by way of poll.

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AFFIX
STAMP

The Share Registrar of
ALDRICH RESOURCES BERHAD
Registration No. 200101019222 (554979-T)
c/o **Aldpro Corporate Services Sdn Bhd**
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No 1, Medan Syed Putra Utara
59200 Kuala Lumpur
W.P. Kuala Lumpur

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ALDRICH Resources Berhad
200101019222 (554979-T)
(Incorporated in Malaysia)

Office Address: B-21-1, Level 21, Tower B, Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur

General: +603 9770 2200 **Fax:** +603 2201 7774