

ALDRICH RESOURCES BERHAD

(Formerly known as Orion IXL Berhad)

[Company No: 200101019222 (554979-T)]
(Incorporated in Malaysia)

Unaudited Interim Financial Report for the 3rd Quarter ended 30 September 2023

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30/09/2023 RM('000)	30/09/2022 RM('000)	30/09/2023 RM('000)	30/09/2022 RM('000)
Revenue	A9	2,794	1,792	8,891	4,849
Operating expenses		(2,571)	(1,444)	(7,499)	(4,590)
Other operating income		35	1	48	88
Profit (Loss) from operations		258	349	1,440	347
Finance cost		(15)	(8)	(46)	(26)
Share of results of associate		-	-	-	-
Profit/(Loss) before taxation	A9	243	341	1,394	321
Taxation	B5	(158)	(286)	(665)	(577)
Profit/(Loss) for the period		85	55	729	(256)
Attributable to:					
Equity holders of the parent		85	55	729	(256)
Non-controlling interests		-	-	-	-
		85	55	729	(256)
Profit/(Loss) per share attributable to equity holders of the parent (Sen)					
(a) Basic	B13	0.01	0.01	0.07	(0.02)
(b) Fully diluted	B13	N/A	-	N/A	-

Notes:

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 and the accompanying notes to the quarterly report.

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Unaudited Interim Financial Report for the 3rd Quarter ended 30 September 2023

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2023 RM('000)	30/09/2022 RM('000)	30/09/2023 RM('000)	30/09/2022 RM('000)
Profit/(Loss) for the period	85	55	729	(256)
Other comprehensive income/(loss), net of tax:				
Fair value adjustment	-	-	-	2
Translation of foreign subsidiary	(4)	(36)	(48)	(75)
Reversal of fair value reserve on disposal of other investment	-	-	-	33
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income/(loss)	<u>81</u>	<u>19</u>	<u>681</u>	<u>(296)</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent	81	19	681	(296)
Non-controlling interests	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>81</u>	<u>19</u>	<u>681</u>	<u>(296)</u>

Note:

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 and the accompanying notes to the quarterly report.

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Unaudited Interim Financial Report for the 3rd Quarter ended 30 September 2023

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(UNAUDITED) AS AT 30 SEP 2023 RM('000)	(AUDITED) AS AT 31 DEC 2022 RM('000)
ASSETS		
Non-Current Assets		
Property, plant and equipment	1,864	1,611
Intangible assets	-	-
Right-of-use assets	517	559
Other investment	832	3,000
Goodwill on consolidation	3,941	3,941
Total Non-Current Assets	7,154	9,111
Current Assets		
Trade receivables	7,894	4,394
Amount owing by contract customers	123	152
Other receivables and prepaid expenses	10,467	8,023
Cash and bank balances	2,396	6,039
Total Current Assets	20,880	18,608
Total Assets	28,034	27,719
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	25,308	25,308
Reserves		
<i>Accumulated Loss</i>	(666)	(1,395)
<i>Exchange Adjustment</i>	(439)	(391)
Equity Attributable to Owners of the Company	24,203	23,522
Non-controlling interests	(484)	(484)
TOTAL EQUITY	23,719	23,038
Non-Current Liabilities		
Deferred tax liabilities	4	4
Lease liabilities	69	261
Total Non-Current Liabilities	73	265
Current Liabilities		
Trade payables	1,997	2,556
Other payables and accrued expenses	1,311	1,367
Lease liabilities	490	300
Amount owing to directors	-	-
Tax liabilities	444	193
Total Current Liabilities	4,242	4,416
Total Liabilities	4,315	4,681
Total Equity and Liabilities	28,034	27,719
Net assets per share attributable to ordinary equity holders of the parent (sen)	2.17	2.21

Note:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the period ended 31 December 2022 and the accompanying notes to the quarterly report.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<-----Attributable to Equity Holders of the Company----->					Total	Non- controlling Interests	Total Equity
	Share Capital	Non- Distributable - Warrant Reserve	Non- Distributable - Exchange Adjustment	Non- Distributable - Fair Value Reserve	Accumulated Loss			
	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)
9 months ended 30 September 2023								
Balance as at 1 January 2023	25,308	-	(391)	-	(1,395)	23,522	(484)	23,038
Issuance of shares by way of private placement, net of share issuance expenses	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	(48)	-	729	681	-	681
Balance as at 30 September 2023	25,308	-	(439)	-	(666)	24,203	(484)	23,719
9 months ended 30 September 2022								
Balance as at 1 January 2022	22,165	21,569	(355)	(35)	(22,491)	20,853	(484)	20,369
Issuance shares by way of private placement net of share issuance expenses	3,143	-	-	-	-	3,143	-	3,143
Reversal of fair value reserve on disposal of other investment	-	-	-	33	(33)	-	-	-
Total comprehensive income/(loss) for the period	-	-	(75)	2	(256)	(329)	-	(329)
Balance as at 30 September 2022	25,308	21,569	(430)	-	(22,780)	23,667	(484)	23,183

Note:

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 and the accompanying notes to the quarterly report.

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Unaudited Interim Financial Report for the 3rd Quarter ended 30 September 2023

	9 months ended 30.09.2023	9 months ended 30.09.2022
	RM('000)	RM('000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	1,394	321
Adjustments for:		
Bad debt written off	35	-
Depreciation of property, plant and equipment	761	436
Depreciation of right-of-use assets	389	134
Finance cost	46	26
Interest received	(13)	(65)
Operating profit/(loss) before working capital changes	2,612	852
Changes in working capital:		
Net change in current assets	(5,965)	(6,109)
Net change in current liabilities	(666)	156
Cash used in operations	(4,019)	(5,101)
Interest received	13	65
Interest paid	(46)	(26)
Tax paid	(415)	(283)
Net cash used in operating activities	(4,467)	(5,345)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of other investment	3,000	2,079
Investment in associate	(832)	-
Purchase of property, plant and equipment	(1,013)	(275)
Net cash from/(used in) investing activities	1,155	1,804
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares by way of private placement	-	3,143
Repayment of lease obligations	(348)	(138)
Net cash from/(used in) financing activities	(348)	3,005

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Unaudited Interim Financial Report for the 3rd Quarter ended 30 September 2023

	9 months ended 30.09.2023 RM('000)	9 months ended 30.09.2022 RM('000)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,660)	(536)
EFFECTS OF EXCHANGE RATE CHANGES	17	(19)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	6,039	2,004
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(Note A16) <u>2,396</u>	<u>1,449</u>

Note:

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 and the accompanying notes to the quarterly report.

ALDRICH RESOURCES BERHAD

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Unaudited Interim Financial Report for the 3rd Quarter ended 30 September 2023

A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial report has been prepared in compliance with MFRS 134, Interim Financial Reporting and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December

A2 Significant accounting policies

The accounting policies and methods of computation adopted by the Group in the preparation of this interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 December 2022.

The Group has adopted the following amendments to MFRS that came into effect on 1 January 2023 which did not have any significant impact on the unaudited quarterly report upon their application.

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The following are accounting standards, amendments and IC interpretations of the MFRS that have been issued by the MASB which are effective for the financial year beginning on or after 1 January 2024.

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Disclosure of Accounting Policies

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material effect to the financial statements of the Group upon their initial application.

A3 Auditors' report of preceding annual financial statements

The auditors' report on the preceding year annual audited financial statements was not subject to any qualification.

A4 Seasonal or cyclical factors

The Group's operations were not subject to any seasonal or cyclical changes.

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group since the last annual audited financial

A6 Material changes in estimates

There were no changes in estimates of amounts reported in prior financial years, which may have a material effect in the current financial quarter.

A7 Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

A8 Dividend paid

There were no dividends paid during the current financial quarter

A9 Segment information

The Group's segmental information for the financial period ended 30 September 2023 is as follows:

(a) Analysis by business segments

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2023 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2022 RM('000)	CURRENT YEAR TO DATE 30/09/2023 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2022 RM('000)
REVENUE				
Software development	-	149	50	157
Corporate secretarial and share registration services	1,879	1,643	5,584	4,692
Mining business	915	-	3,257	-
	<u>2,794</u>	<u>1,792</u>	<u>8,891</u>	<u>4,849</u>
PROFIT/(LOSS) BEFORE TAXATION				
Software development	(415)	(221)	(1,348)	(1,453)
Corporate secretarial and share registration services	229	563	1,257	1,778
	<u>(186)</u>	<u>342</u>	<u>(91)</u>	<u>325</u>
Mining business	429	(1)	1,485	(4)
	<u>243</u>	<u>341</u>	<u>1,394</u>	<u>321</u>

(b) Analysis by geographical location

No analysis by geographical location as all the business activities of the Group are predominately carried out in Malaysia.

A10 Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment.

A11 Material events subsequent to the end of the quarter

There were no material events subsequent to the current financial quarter ended 30 September 2023 up to the date of this report which, is likely to substantially affect the results of the operations of the Group.

A12 Changes in the composition of the Group

The Company had on 22 February 2023 acquire an indirect subsidiary, namely Proficient Premium Sdn Bhd under the Companies Act 2016. The principal activity of this indirect subsidiary is involved in the moneylending business and holds the license issued by the Ministry of Housing and Local Government under the Moneylenders Act to be read together with the Moneylenders (Control and Licensing) Regulations 2003. On 05 May 2023, the Company had acquired 20% stake in Octowill Trustees Berhad.

There were no changes in the composition of the Group for the current financial quarter.

A13 Contingent liabilities

There were no contingent liabilities as at the date of this announcement.

A14 Capital commitments

There were no capital commitments as at the date of this announcement.

A15 Significant related party transactions

There were no significant related party transactions as at the date of this announcement.

A16 Cash and cash equivalents

	30.09.2023 RM('000)	30.09.2022 RM('000)
Cash and bank balances	2,396	1,449

A17 Notes to the Statements of Comprehensive Income

	INDIVIDUAL QUARTER 30 September 2023 RM('000)	CUMULATIVE QUARTER 30 September 2023 RM('000)
Profit before taxation is arrived at after charging/(crediting):		
Audit fee	-	32
Bad debts written off	35	35
Car park rental	3	5
Depreciation of property, plant and equipment	245	761
Depreciation of right-of-use assets	116	389
Directors' remuneration -Other emoluments	53	188
Finance cost	15	46
Rental of office equipment	2	8
Rental income	35	35
Rental of office premises	(23)	(6)
Interest income	-	(13)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET**B1 Analysis of performance**

The Group recorded a turnover and profit before taxation of RM2.97 million and RM0.242 million respectively for the current financial quarter ended 30 September 2023. For the 9 months ended 30 September 2023, the Group's revenue increased by RM4.04 million as compared to the revenue of approximately RM4.85 million recorded for the corresponding period ended 30 September 2022. The main key contributors to the Group's revenue of RM8.89 million were corporate secretarial and share registration segment and mining business segment. The improvement in revenue had contributed to profit before tax of RM1.39 million for the 9 months ended 30 September 2023 as compared to profit before taxation of RM0.32 million recorded for corresponding period ended 30 September 2022.

B2 Variation of results against preceding quarter

	Current quarter 30 September 2023 RM'000	Preceding quarter 30 June 2023 RM'000
Revenue	2,794	3,203
Profit/(Loss) before tax	243	1,271

The Group recorded a turnover of approximately RM2.79 million for the current financial quarter ended 30 September 2023 as compared to a turnover of RM3.20 million recorded in preceding quarter. This represents a reduction of approximately 12.8% as compared to the preceding quarter, mainly due to reduction in share registration services segment and mining business segment.

The Group recorded a profit before taxation of approximately RM0.24 million for the current financial quarter ended 30 September 2023 as compared to profit before taxation of RM1.27 million recorded in preceding quarter. The less favourable performance in current year quarter was mainly due to lower profit before taxation generated by its share registration services segment and mining business segment, recorded a profit before taxation of RM0.04 million and RM0.43 million against RM0.36 million and RM1.16 million in preceding quarter.

B3 Prospects

The Group initiated multiple corporate proposals to turnaround the Group's financial performance, which was initially implemented during December 2020 following the acquisition of Boardroom.com Sdn Bhd and will be continued to be implemented subsequent to the period ended 30 September 2023.

The plan comprises multiple corporate proposals that involve the Group undertaking fundraising, ventured into various new businesses such as corporate and share registration services, mining business, development of microcredit platform, and money lending business.

These business ventures will be funded by the proceeds of a private placement exercise which was completed in January 2022. When successfully implemented, these business ventures are expected to diversify the risk of the Group from being involved in one single industry segment, have synergistic benefits to the Company through the sharing and consolidation of resources, and are also expected to ultimately improve the financial performance of the enlarged group in the long run.

B4 Profit forecast and profit guarantee

The Group did not announce any profit forecast nor profit guarantee during the financial quarter.

B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM('000)	RM('000)	RM('000)	RM('000)
Current tax				
Current year	158	286	665	577

The above income tax provision arose from profit before tax generated by its wholly-owned subsidiary Boardroom.com Sdn Bhd, Aldpro Corporate Services Sdn Bhd and Aldrich Minerals Sdn Bhd

No provision for income tax has been made for the Company and its other subsidiaries which incurred losses for the current quarter.

B6 Unquoted investments and properties

There were no acquisitions or disposals of unquoted investments and properties for the financial quarter under review.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities for the financial quarter under review.

B8 Status of corporate proposals

(i) Private placement of up to 30% of the issued ordinary shares in the Company

As announced on 29 January 2021, the Company proposed to undertake a private placement of up to 256,952,300 ordinary shares in the Company ("Placement Shares"), representing approximately 30% of the total number of issued shares of the Company ("Private Placement"). The Private Placement was completed on 14 January 2022.

B8 Status of corporate proposals (Continue)

The status of the gross proceeds from the Private Placement completed on 14 January 2022 which amounted to approximately RM9.60 million are as follows:

	Initial Proposed Utilisation	Revised Utilisation	Actual Utilisation as at 30.09.2023	Balance Unutilised as at 30.09.2023	Variation to the Utilisation of proceeds as at 30.09.2023	Revised balance of proceeds after the Proposed Variation as at 30.09.2023
Details of Utilisation	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	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	-	-	2,028	(2,028)	3,175	1,147
	<u>18,501</u>	<u>9,600</u>	<u>7,812</u>	<u>1,788</u>	<u>-</u>	<u>1,788</u>

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.

(ii) Memorandum of Understanding ("MOU") with Enrich Mining Sdn Bhd ("Enrich")

On 22 May 2020, the Group entered into MOU with Enrich to commence exclusive discussion with Enrich in relation to a proposed collaboration to jointly (i) explore mining targets and develop mining operation at Gossan Hill area, District of Jeli, Kelantan and (ii) manage the Senior Alluvia Gold Mining operation at District of Jeli, Kelantan. The Company and Enrich had mutually agreed to extend the MOU period for a further period of 6 months to 22 May 2024.

(iii) Proposed Diversification into Mining Business, Proposed Diversification into Money Lending Business and Proposed Variation

On 23 May 2023, the Group announced to undertake an employees' share option scheme ("ESOS"), diversification of the existing business of Aldrich to include exploration of minerals, mining and mining related businesses ("Mining Business"), diversification of the existing business of Aldrich to include money lending business and its related activities ("Money Lending Business") and variation to the utilisation of proceeds from the Private Placement ("Proposed Variation"). The listing application and circular for the above mentioned proposals was submitted to Bursa Securities on 22 June 2023. Please refer to the Company's announcement on 23 May 2023, 22 June 2023 and 01 Aug 2023 for further details.

B9 Group's borrowings and debt securities

There were no borrowings and debt securities for the financial quarter under review.

B10 Off balance sheet financial instruments

There were no financial instruments with off-balance sheet risk as at the date of this announcement applicable to the Group.

B11 Material litigations

There is no material litigation for the financial quarter under review.

B12 Dividends

No dividend has been declared in respect of the financial period under review.

B13 Profit/(loss) per share

a. Basic profit/(loss) per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT 30/09/2023 RM('000)	PRECEDING YEAR 30/09/2022 RM('000)	CURRENT 30/09/2023 RM('000)	PRECEDING YEAR 30/09/2022 RM('000)
Profit/(loss) attributable to ordinary equity holders of the parent	85	55	729	(256)
Weighted average number of ordinary shares in issue ('000)	1,113,460	1,063,893	1,113,460	1,059,886
Basic earning/(loss) per share (sen)	0.01	0.01	0.07	(0.02)

b. Diluted earning/(loss) per share

The fully diluted earning/(loss) per share have not been presented as there is anti dilutive effect for the shares of the Group.

By Order of the Board

Tan Tong Lang (MAICSA 7045482)
SSM PC NO. 202208000250
Secretary

Kuala Lumpur

Date: 23 November 2023