

ALDRICH RESOURCES BERHAD

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

Unaudited Interim Financial Report for the 2nd Quarter ended 30 June 2024

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30/06/2024 RM('000)	30/06/2023 RM('000)	30/06/2024 RM('000)	30/06/2023 RM('000)
Revenue	A9	2,705	3,203	5,100	6,097
Operating expenses		(2,391)	(1,916)	(4,507)	(4,928)
Other operating income		204	-	212	13
Profit from operations		518	1,287	805	1,182
Finance cost		(7)	(16)	(15)	(31)
Share of results of associate		-	-	-	-
Profit before taxation	A9	511	1,271	790	1,151
Taxation	B5	(162)	(392)	(276)	(507)
Profit for the period		349	879	514	644
Attributable to:					
Equity holders of the parent		349	879	514	644
Non-controlling interests		-	-	-	-
		349	879	514	644
Profit per share attributable to equity holders of the parent (Sen)					
(a) Basic	B13	0.03	0.08	0.05	0.06
(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 2023 and the accompanying notes to the quarterly report.

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(Incorporated in Malaysia)

Unaudited Interim Financial Report for the 2nd Quarter ended 30 June 2024

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
	30/06/2024 RM('000)	30/06/2023 RM('000)	30/06/2024 RM('000)	30/06/2023 RM('000)
Profit for the period	349	879	514	644
Other comprehensive income/(loss), net of tax:				
Fair value adjustment	-	-	-	-
Translation of foreign subsidiary	16	(40)	44	(44)
Reversal of fair value reserve on disposal of other investment	-	-	-	-
Total comprehensive income	365	839	558	600
Total comprehensive income attributable to:				
Equity holders of the parent	365	839	558	600
Non-controlling interests	-	-	-	-
	365	839	558	600

Note:

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2023 and the accompanying notes to the quarterly report.

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(Incorporated in Malaysia)

Unaudited Interim Financial Report for the 2nd Quarter ended 30 June 2024

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(UNAUDITED) AS AT 30 JUN 2024 RM('000)	(AUDITED) AS AT 31 DEC 2023 RM('000)
ASSETS		
Non-Current Assets		
Property, plant and equipment	1,271	1,551
Right-of-use assets	158	396
Other investment	2,077	2,077
Goodwill on consolidation	5,774	5,774
Total Non-Current Assets	9,280	9,798
Current Assets		
Trade receivables	7,545	8,512
Other receivables and prepaid expenses	10,838	8,991
Cash and bank balances	2,010	3,082
Total Current Assets	20,393	20,585
Total Assets	29,673	30,383
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	25,408	25,408
Reserves		
<i>Accumulated Loss</i>	(2,024)	(2,538)
<i>Exchange Adjustment</i>	(395)	(423)
Equity Attributable to Owners of the Company	22,989	22,447
Non-controlling interests	(484)	(484)
TOTAL EQUITY	22,505	21,963
Non-Current Liabilities		
Deferred tax liabilities	4	4
Lease liabilities	-	-
Total Non-Current Liabilities	4	4
Current Liabilities		
Trade payables	3,970	4,693
Other payables and accrued expenses	2,734	3,169
Lease liabilities	157	395
Tax liabilities	303	159
Total Current Liabilities	7,164	8,416
Total Liabilities	7,168	8,420
Total Equity and Liabilities	29,673	30,383
Net assets per share attributable to ordinary equity holders of the parent (sen)	2.06	2.02

Note:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the period ended 31 December 2023 and the accompanying notes to the quarterly report.

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Unaudited Interim Financial Report for the 2nd Quarter ended 30 June 2024

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	←-----Attributable to Equity Holders of the Company----->					Non- controlling Interests	Total Equity	
	Share Capital	Non- Distributable - Warrant Reserve	Non- Distributable - Exchange Adjustment	Non- Distributable - Fair Value Reserve	Accumulated Loss			Total
	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	
6 months ended 30 June 2024								
Balance as at 1 January 2024	25,408	-	(423)	-	(2,538)	22,447	(484)	21,963
Issuance of new ordinary shares	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	28	-	514	542	-	542
Balance as at 30 June 2024	<u>25,408</u>	<u>-</u>	<u>(395)</u>	<u>-</u>	<u>(2,024)</u>	<u>22,989</u>	<u>(484)</u>	<u>22,505</u>
6 months ended 30 June 2023								
Balance as at 1 January 2023	25,308	-	(391)	-	(1,395)	23,522	(484)	23,038
Issuance of new ordinary shares	100	-	-	-	-	100	-	100
Total comprehensive income/(loss) for the period	-	-	(32)	-	(1,143)	(1,175)	-	(1,175)
Balance as at 30 June 2023	<u>25,408</u>	<u>-</u>	<u>(423)</u>	<u>-</u>	<u>(2,538)</u>	<u>22,447</u>	<u>(484)</u>	<u>21,963</u>

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 2023 and the accompanying notes to the quarterly report.

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Unaudited Interim Financial Report for the 2nd Quarter ended 30 June 2024

	6 months ended 30.06.2024	6 months ended 30.06.2023
	RM('000)	RM('000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	790	1,151
Adjustments for:		
Depreciation of property, plant and equipment	344	480
Depreciation of right-of-use assets	239	273
Bad debts written off	-	-
Impairment loss on trade receivables	-	-
Finance cost	15	31
Interest received	(1)	(13)
Property, plant and equipment written off	-	-
Operating profit/(loss) before working capital changes	<u>1,387</u>	<u>1,922</u>
Changes in working capital:		
Net change in current assets	(880)	(4,526)
Net change in current liabilities	(1,181)	(260)
Cash used in operations	<u>(674)</u>	<u>(2,864)</u>
Interest received	1	13
Interest paid	(15)	(31)
Tax paid	(131)	(166)
Net cash used in operating activities	<u>(819)</u>	<u>(3,048)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of other investment	-	3,000
Investment in associate	-	(432)
Purchase of property, plant and equipment	(64)	(766)
Net cash from/(used in) investing activities	<u>(64)</u>	<u>1,802</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	-
Repayment of lease obligations	(238)	(232)
Net cash from/(used in) financing activities	<u>(238)</u>	<u>(232)</u>

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Unaudited Interim Financial Report for the 2nd Quarter ended 30 June 2024

	6 months ended 30.06.2024 RM('000)	6 months ended 30.06.2023 RM('000)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,121)	(1,478)
EFFECTS OF EXCHANGE RATE CHANGES	49	17
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	3,082	6,039
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(Note A16) <u>2,010</u>	<u>4,578</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 2023 and the accompanying notes to the quarterly report.

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(Incorporated in Malaysia)

Unaudited Interim Financial Report for the 2nd Quarter ended 30 June 2024

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 2023.

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 2023.

The Group has adopted the following amendments to MFRS that came into effect on 1 January 2024 which did not have any significant impact on the unaudited quarterly report upon their application.

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

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 June 2024 is as follows:

(a) Analysis by business segments

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR 30/06/2024 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2023 RM('000)	CURRENT YEAR TO DATE 30/06/2024 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2023 RM('000)
REVENUE				
Software development	119	-	240	50
Corporate secretarial and share registration services	2,507	1,999	4,695	3,705
Mining business	-	1,204	-	2,342
Money lending business	79	-	165	-
	<u>2,705</u>	<u>3,203</u>	<u>5,100</u>	<u>6,097</u>
PROFIT/(LOSS) BEFORE TAXATION				
Software development	(178)	(472)	(289)	(933)
Corporate secretarial and share registration services	573	579	940	1,028
	<u>395</u>	<u>107</u>	<u>651</u>	<u>95</u>
Mining business	(55)	1,164	(113)	1,056
Money lending business	171	-	252	-
	<u>511</u>	<u>1,271</u>	<u>790</u>	<u>1,151</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 June 2024 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

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

	30.06.2024 RM('000)	30.06.2023 RM('000)
Cash and bank balances	2,010	4,578

A17 Notes to the Statements of Comprehensive Income

	INDIVIDUAL QUARTER 30 June 2024 RM('000)	CUMULATIVE QUARTER 30 June 2024 RM('000)
Profit before taxation is arrived at after charging/(crediting):		
Car park rental	4	9
Depreciation of property, plant and equipment	167	344
Depreciation of right-of-use assets	119	238
Directors' remuneration - Fee	50	106
Finance cost	(7)	(16)
Rental of office equipment	5	9
Interest income	-	1

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 RM2.70 million and RM0.51 million respectively for the current financial quarter ended 30 June 2024. For the 6 months ended 30 June 2024, the Group's revenue reduced by RM1 million compared to the revenue of approximately RM6.10 million recorded for preceding year corresponding quarter ended 30 June 2023. In which, the deterioration in the Group's revenue was mainly due to suspended business operation from mining sector. However, the main contributors to the Group's revenue of RM2.70 million were corporate secretarial and share registration segment which collectively contributed approximately 93% of Group's revenue. Due to a reduction in revenue during the current quarter, the Group recorded a profit before taxation of RM0.5 million, compared to RM1.27 million in the corresponding quarter of the previous year.

B2 Variation of results against preceding quarter

	Current quarter 30 June 2024 RM'000	Preceding quarter 31 March 2024 RM'000
Revenue	2,705	2,395
Profit before tax	511	279

The Group recorded a turnover of approximately RM2.70 million for the current financial quarter ended 30 June 2024 as compared to a turnover of RM2.39 million recorded in preceding quarter. This represents an improvement of approximately 13% as compared to the preceding quarter, mainly due to increase in revenue generated from corporate secretarial services and share registration segment.

The Group recorded a profit before taxation of approximately RM0.51 million for the current financial quarter ended 30 June 2024 as compared to profit before taxation of RM0.27 million recorded in preceding quarter. The better performance in current year quarter was mainly due to increased in profit before taxation generated by its corporate secretarial services and share registration segment, recorded a profit before taxation of RM0.57 million against profit before taxation of RM0.36 million in preceding quarter.

B3 Prospects

The Group initiated multiple proposals to turnaround the Group's financial performance which involved the Group undertaking fundraising, ventured into various new businesses such as corporate and share registration services, development of microcredit platform, and money lending business. On this note, the Group had acquired Boardroom.com Sdn Bhd in December 2020, followed by acquisition of indirect subsidiary namely Proficient Premium Sdn Bhd in February 2023, and acquisition of 20% stake in Octowill Trustees Berhad in July 2023.

In addition, on 10 July 2024, the Group entered into a Share Sale Agreement with Chong Fook Sin, Chua Yoke Bee, Kan Chee Jing, Lau Mong Fah and Trustees for TACS Group Staff Fund (comprising Chong Fook Sin, Kan Chee Jing and Chua Yoke Bee) for the acquisition of 51,000 ordinary shares in TACS Group Sdn Bhd (TGSB) representing 51% equity interest in TGSB. TGSB is mainly involved in provision of management, advisory and consultancy services.

These business ventures were funded by the proceeds from the 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
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM('000)	RM('000)	RM('000)	RM('000)
Current tax				
Current year	162	392	276	507

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, Ganda Integrasi Sdn Bhd and Proficient Premium 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 30.06.2024	Balance Unutilised as at 30.06.2024	Proposed ratification on the utilisation of proceeds as at 30.06.2024
Details of Utilisation	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)
Software development	5,000	4,280	1,520	2,760	(2,760)
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	-	-	2,175	(2,175)	2,175
Development of Mining Business	-	-	4,648	(4,648)	4,648
	<u>18,501</u>	<u>9,600</u>	<u>9,600</u>	<u>(0)</u>	<u>0</u>

Note:

(1) On 2 May 2024, further to the announcement made on 23 May 2023 and 1 August 2023, the Group announced the Proposed Diversification into Mining business was suspended.

(2) In the event shareholders' approval is not obtained, the Group will seek alternative methods of funding, and replenish the proceeds used accordingly. The Company had announced the proposed ratification of the utilisation proceed from the private placement. Please refer to the Company's announcement on 28 August 2024.

(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. However, on 27 August 2024 the Company and Enrich had mutually agreed to terminate the MOU and the Supplemental MOU with immediate effect due to the Company's requirement to study further compliances with necessary guidelines and requirements.

(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. However, the Board is reconsidering the future business strategies vis-a-vis the requirements of undertaking the mining operations and as such had announced the suspension of the mining business on 2 May 2024. Further on 16 May 2024, the Board resolved to withdraw the listing application and circular to shareholders in relation to the above mentioned proposals for further updates which will be announced in due course. On 28 August 2024, the Group announced to establish an employees' share option scheme ("ESOS"), diversification of the existing business of Aldrich to include money lending business and its related activities ("Money Lending Business") and proposed ratification of the utilisation of proceeds from the Private Placement ("Proposed Ratification"). Please refer to the Company's announcement on 28 August 2024.

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 Earnings per share

a. Basic earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT 30/06/2024 RM('000)	PRECEDING YEAR 30/06/2023 RM('000)	CURRENT 30/06/2024 RM('000)	PRECEDING YEAR 30/06/2023 RM('000)
Profit attributable to ordinary equity holders of the parent	349	879	514	644
Weighted average number of ordinary shares in issue ('000)	1,113,460	1,113,460	1,113,460	1,113,460
Basic earnings per share (sen)	0.03	0.08	0.05	0.06

b. Diluted loss per share

The fully diluted 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: 30 August 2024