

APPASIA BERHAD

Company No. 200401005180 (643683-U)

(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DEC 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

| | As At 31 Dec 2023 (Unaudited) RM'000 | As At 31 Dec 2022 (Audited) RM'000 |
|---|---|---|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 468 | 531 |
| Investment properties | 2,058 | 2,132 |
| Digital assets | 639 | 534 |
| Right-of-use assets | 452 | 408 |
| Research and development expenditure | 684 | 1,287 |
| Trade receivables | 54 | 459 |
| | <u>4,355</u> | <u>5,351</u> |
| Current Assets | | |
| Trade receivables | 14,849 | 15,870 |
| Other receivables | 869 | 1,938 |
| Tax recoverable | 287 | 97 |
| Cash and bank balances | 7,992 | 4,718 |
| | <u>23,997</u> | <u>22,623</u> |
| TOTAL ASSETS | <u>28,352</u> | <u>27,974</u> |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 32,103 | 30,733 |
| Treasury shares | (10,369) | (7,566) |
| Warrants reserve | 14,535 | 16,259 |
| Other reserve | (14,535) | (16,259) |
| Share issuance scheme option reserve | 600 | 600 |
| Fair value reserve | 322 | - |
| Retained earnings | 2,508 | 566 |
| | <u>25,164</u> | <u>24,333</u> |
| Non-Controlling Interests | (286) | (235) |
| Total Equity | <u>24,878</u> | <u>24,098</u> |
| LIABILITIES | | |
| Non-Current Liability | | |
| Lease liabilities | 67 | 8 |
| Current Liabilities | | |
| Trade payables | 598 | 322 |
| Other payables | 2,397 | 3,137 |
| Provision for taxation | 12 | - |
| Lease liabilities | 400 | 409 |
| | <u>3,407</u> | <u>3,868</u> |
| Total Liabilities | <u>3,474</u> | <u>3,876</u> |
| TOTAL EQUITY AND LIABILITIES | <u>28,352</u> | <u>27,974</u> |
| Net assets per ordinary share attributable to owners of the parent (RM) | 0.0229 | 0.0224 |

Notes:

(1) The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached in this interim financial statement.

(2) Net assets per share is calculated based on the Company's weighted average number of ordinary shares at the end of the reporting period.

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DEC 2023**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(The figures have not been audited)

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|------|--------------------|---------------|--------------------|--------------|
| | | Quarter Ended | Quarter Ended | Period Ended | Period Ended |
| | | 31 Dec 2023 | 31 Dec 2022 | 31 Dec 2023 | 31 Dec 2022 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | A8 | 5,927 | 6,236 | 22,776 | 59,923 |
| Cost of sales | | (3,760) | (4,230) | (12,618) | (51,986) |
| Gross profit | | 2,167 | 2,006 | 10,158 | 7,937 |
| Other income | | 174 | 188 | 475 | 307 |
| Administrative expenses | | (2,058) | (1,985) | (7,917) | (7,103) |
| Finance costs | | (29) | (3) | (38) | (25) |
| Profit before taxation | | 254 | 206 | 2,678 | 1,116 |
| Taxation | B5 | (269) | (179) | (787) | (543) |
| Net (loss)/profit for the period | | (15) | 27 | 1,891 | 573 |
| Net profit for the period attributable to: | | | | | |
| Owners of the Company | | (1) | 18 | 1,942 | 606 |
| Non-controlling interests | | (14) | 9 | (51) | (33) |
| | | (15) | 27 | 1,891 | 573 |
| Other comprehensive income | | | | | |
| Change in fair value of digital assets | | 197 | - | 322 | - |
| Total comprehensive income for the period | | 182 | 27 | 2,213 | 573 |
| Comprehensive income for the period attributable to: | | | | | |
| Owners of the Company | | 196 | 18 | 2,264 | 606 |
| Non-controlling interests | | (14) | 9 | (51) | (33) |
| | | 182 | 27 | 2,213 | 573 |
| Earnings Per Share (sen) | | | | | |
| Basic | B9 | (0.00) | 0.00 | 0.18 | 0.06 |
| Diluted | B9 | (0.00) | 0.00 | 0.15 | 0.05 |

Notes:

(1) The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached in this interim financial statement.

(2) Net assets per share is calculated based on the Company's weighted average number of ordinary shares at the end of the reporting period.

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DEC 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

| | Period Ended 31 Dec 2023 RM'000 | Period Ended 31 Dec 2022 RM'000 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 2,678 | 1,116 |
| Adjustments for:- | | |
| Amortisation of research and development expenditure | 603 | 798 |
| Amortisation of right-of-use assets | 399 | 406 |
| Bad debt written off | - | 1 |
| Depreciation of investment properties | 50 | 50 |
| Depreciation of property, plant and equipment | 239 | 248 |
| Development expenditure written off | 85 | - |
| Gain on disposal of digital assets | (144) | (129) |
| Gain on disposal of property, plant and equipment | (48) | - |
| Impairment loss of trade receivables | 20 | - |
| Reversal of impairment loss of trade receivables | (5) | (11) |
| Impairment of investment properties | 24 | 20 |
| Impairment loss of digital assets | - | 81 |
| Reversal of impairment of investment in digital asset | (81) | - |
| Interest expense | 38 | 25 |
| Interest income | (83) | (109) |
| Provision for doubtful debts | - | - |
| Property, plant and equipment written off | 6 | - |
| Operating profit before working capital changes | 3,781 | 2,496 |
| Changes in working capital: | | |
| Trade receivables | 1,411 | (6,381) |
| Other receivables | 984 | 4,043 |
| Trade payables | 276 | 268 |
| Other payables | (740) | (2,824) |
| | 1,931 | (4,894) |
| Cash generated from/(used in) operations | 5,712 | (2,398) |
| Interest paid | (38) | (25) |
| Interest received | 83 | 109 |
| Tax paid | (970) | (660) |
| Tax refund | 5 | 36 |
| Net cash generated from/(used in) operating activities | 4,792 | (2,938) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (312) | (235) |
| Proceeds from disposal of property, plant and equipment | 178 | - |
| Net proceeds from disposal of digital assets | 442 | 307 |
| Acquisition of digital asset | - | (793) |
| Net cash generated from/(used in) investing activities | 308 | (721) |

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DEC 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

| | Period Ended 31 Dec 2023 RM'000 | Period Ended 31 Dec 2022 RM'000 |
|---|---|---|
| CASH FLOWS FOR FINANCING ACTIVITIES | | |
| Proceeds from conversion of warrants | 1,370 | 5 |
| Purchase of treasury shares | (2,803) | (393) |
| Repayment of lease liabilities | (393) | (399) |
| Net cash used in financing activities | (1,826) | (787) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 3,274 | (4,446) |
| CASH AND CASH EQUIVALENTS | | |
| AT THE BEGINNING OF THE FINANCIAL PERIOD | 4,718 | 9,164 |
| CASH AND CASH EQUIVALENTS | | |
| AT THE END OF THE FINANCIAL PERIOD | 7,992 | 4,718 |
| Cash and cash equivalents comprise: | | |
| Cash and bank balances | 7,992 | 4,718 |
| | 7,992 | 4,718 |

Notes:

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached in this interim financial statement.

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DEC 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

| | Attributable to Owners of the Parent | | | | | | | | | |
|--|--------------------------------------|-----------------|------------------|---------------|--------------------------------------|--------------------|---|---------|---------------------------|--------------|
| | Non-Distributable | | | Distributable | | | | | | |
| | Share Capital | Treasury Shares | Warrants Reserve | Other Reserve | Share Issuance Scheme Option Reserve | Fair Value Reserve | Retained Earnings/ (Accumulated Losses) | Total | Non-controlling Interests | Total Equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Period ended 31 Dec 2023 | | | | | | | | | | |
| As at 1 Jan 2023 | 30,733 | (7,566) | 16,259 | (16,259) | 600 | - | 566 | 24,333 | (235) | 24,098 |
| Conversion of warrants | 1,370 | - | (1,724) | 1,724 | - | - | - | 1,370 | - | 1,370 |
| Shares buyback | - | (2,803) | - | - | - | - | - | (2,803) | - | (2,803) |
| Net profit/(loss) for the period | - | - | - | - | - | - | 1,942 | 1,942 | (51) | 1,891 |
| Gain on revaluation of investment in digital asset | - | - | - | - | - | 322 | - | 322 | - | 322 |
| Total comprehensive income/(loss) for the period | - | - | - | - | - | 322 | 1,942 | 2,264 | (51) | 2,213 |
| As at 31 Dec 2023 | 32,103 | (10,369) | 14,535 | (14,535) | 600 | 322 | 2,508 | 25,164 | (286) | 24,878 |
| Period ended 31 Dec 2022 | | | | | | | | | | |
| As at 1 Jan 2022 | 30,728 | (7,173) | 16,265 | (16,265) | 600 | - | (40) | 24,115 | (202) | 23,913 |
| Conversion of warrants | 5 | - | (6) | 6 | - | - | - | 5 | - | 5 |
| Shares buyback | - | (393) | - | - | - | - | - | (393) | - | (393) |
| Net profit/(loss) for the period | - | - | - | - | - | - | 606 | 606 | (33) | 573 |
| Gain on revaluation of investment in digital asset | - | - | - | - | - | - | - | - | - | - |
| Total comprehensive income/(loss) for the year | - | - | - | - | - | - | 606 | 606 | (33) | 573 |
| As at 31 Dec 2022 | 30,733 | (7,566) | 16,259 | (16,259) | 600 | - | 566 | 24,333 | (235) | 24,098 |

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached in this interim financial statement.)

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A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting” and Paragraph 9.22 of Bursa Malaysia Securities Berhad ACE Market Listing Requirements (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022 and the accompanying explanatory notes. The explanatory notes attached to the interim financial statements provides an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

The accounting policies and methods of computation adopted by the Company and its subsidiaries (“Group”) in the interim financial statements are consistent with those adopted for the annual audited statements for the year ended 31 December 2022.

The adoption of the new/amended MFRS and its amendments does not give rise to any adjustment to the opening balances of retained profit of prior and current years or changes in comparatives.

A2. AUDIT REPORT ON THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report on the preceding annual financial statements of the Group for the financial year ended 31 December 2022 was not subject to any qualification.

A3. SEASONALLY OR CYCLICAL FACTORS

The operation of the Group was not significantly affected by any major seasonal or cyclical factors during the current financial quarter under review and financial year-to-date.

A4. UNUSUAL ITEMS

There were no significant unusual items or events that arose, which affecting assets, liabilities, equity, net income or cash flows.

A5. MATERIAL CHANGE IN ESTIMATES

There were no material changes in estimates that have had material effect on the current financial quarter under review and financial year-to-date.

A6. DEBT AND EQUITY SECURITIES

In fourth quarter of 2023, the Company has issued additional 26,320,300 new ordinary shares of RM 0.04 each pursuant to the conversion of warrants.

Save for the above, there were no other issuance, cancellations, or repayments of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares, repurchase and resale of treasury shares for the current financial quarter under review.

A7. DIVIDEND PAID

No dividend was declared, approved or paid during the current financial quarter under review and financial year-to-date.

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A8. SEGMENTAL INFORMATION

In line with the Group's strategy to penetrate into different IT consumers market, the management has currently segregated the Group into the following core business units based on different products, services and market segments as follows:

Investment Holding & Others

Investment holding and provision of management services & provision of other complementary activities.

Digital Solutions

Provision of digital platform related solutions and services.

E-Commerce Business

Provision of online marketplace for e-commerce activities.

Financial Services

Provision of financial assistance.

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A8. SEGMENTAL INFORMATION (CONT'D)

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

Results for individual quarter ended 31 Dec 2023

| | Investment Holding & Others | Digital Solutions | E-Commerce Business | Financial Services | Eliminations | Consolidated Total |
|-------------------------------------|-----------------------------------|----------------------|------------------------|-----------------------|--------------|-----------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | | | |
| External revenues | 11 | 2,474 | 3,036 | 406 | - | 5,927 |
| Inter segment | 368 | 29 | - | - | (397) | - |
| Total revenue | 379 | 2,503 | 3,036 | 406 | (397) | 5,927 |
| Segment Results | | | | | | |
| Interest income | 2 | 8 | 7 | 1 | - | 18 |
| Finance costs | (18) | (18) | - | (2) | 9 | (29) |
| Depreciation and amortisation | (79) | (224) | (23) | (7) | 24 | (309) |
| Other non-cash items ⁽¹⁾ | (5,093) | (25) | - | - | 5,069 | (49) |
| Segment (loss)/gain before tax | (5,087) | 82 | 7 | 175 | 5,077 | 254 |

Results for individual quarter ended 31 Dec 2022

| | Investment Holding & Others | Digital Solutions | E-Commerce Business | Financial Services | Eliminations | Consolidated Total |
|-------------------------------------|-----------------------------------|----------------------|------------------------|-----------------------|--------------|-----------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | | | |
| External revenues | 9 | 2,265 | 3,623 | 339 | - | 6,236 |
| Inter segment | 377 | 65 | - | - | (442) | - |
| Total revenue | 386 | 2,330 | 3,623 | 339 | (442) | 6,236 |
| Segment Results | | | | | | |
| Interest income | - | 8 | 12 | 1 | - | 21 |
| Finance costs | (2) | (8) | - | - | 7 | (3) |
| Depreciation and amortisation | (87) | (380) | (19) | 21 | 115 | (350) |
| Other non-cash items ⁽¹⁾ | (525) | 51 | - | - | 505 | 31 |
| Segment (loss)/gain before tax | (560) | (72) | 108 | 223 | 507 | 206 |

(1) Other non-cash items consist of the following as presented in the respective notes to the financial statements:

| | As at 31 Dec 2023 | As at 31 Dec 2022 |
|---|----------------------|----------------------|
| | RM'000 | RM'000 |
| Bad debt written off | - | (1) |
| Gain on disposal of property, plant and equipment | 1 | - |
| Gain on disposal of digital assets | - | 129 |
| Impairment loss of trade receivables | (20) | - |
| Reversal of impairment loss of trade receivables | - | 4 |
| Impairment loss of investment properties | (24) | (20) |
| Impairment loss of digital assets | - | (81) |
| Property, plant and equipment written off | (6) | - |
| | (49) | 31 |

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A8. SEGMENTAL INFORMATION (CONT'D)**Results for cumulative quarter ended 31 Dec 2023**

| | Investment Holding & Others | Digital Solutions | E-Commerce Business | Financial Services | Eliminations | Consolidated Total |
|-------------------------------------|-----------------------------------|----------------------|------------------------|-----------------------|----------------|-----------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | | | |
| External revenues | 42 | 11,278 | 9,832 | 1,624 | - | 22,776 |
| Inter segment | 1,470 | 115 | - | - | (1,585) | - |
| Total revenue | 1,512 | 11,393 | 9,832 | 1,624 | (1,585) | 22,776 |
| Segment Results | | | | | | |
| Interest income | 6 | 32 | 37 | 8 | - | 83 |
| Finance costs | (23) | (24) | - | (3) | 12 | (38) |
| Depreciation and amortisation | (341) | (1,003) | (27) | (30) | 110 | (1,291) |
| Other non-cash items ⁽¹⁾ | (5,047) | 206 | - | - | 5,069 | 228 |
| Segment (loss)/gain before tax | (5,193) | 1,770 | 116 | 914 | 5,071 | 2,678 |

Results for cumulative quarter ended 31 Dec 2022

| | Investment Holding & Others | Digital Solutions | E-Commerce Business | Financial Services | Eliminations | Consolidated Total |
|-------------------------------------|-----------------------------------|----------------------|------------------------|-----------------------|----------------|-----------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | | | |
| External revenues | 53 | 9,023 | 49,665 | 1,182 | - | 59,923 |
| Inter segment | 1,506 | 315 | - | - | (1,821) | - |
| Total revenue | 1,559 | 9,338 | 49,665 | 1,182 | (1,821) | 59,923 |
| Segment Results | | | | | | |
| Interest income | 5 | 57 | 40 | 7 | - | 109 |
| Finance costs | (14) | (16) | - | (2) | 7 | (25) |
| Depreciation and amortisation | (370) | (1,100) | (116) | (31) | 115 | (1,502) |
| Other non-cash items ⁽¹⁾ | (525) | 58 | - | - | 505 | 38 |
| Segment (loss)/gain before tax | (728) | 671 | 14 | 652 | 507 | 1,116 |

(1) Other non-cash items consist of the following as presented in the respective notes to the financial statements:

| | As at 31 Dec 2023 | As at 31 Dec 2022 |
|---|----------------------|----------------------|
| | RM'000 | RM'000 |
| Bad debt written off | - | (1) |
| Gain on disposal of property, plant and equipment | 48 | - |
| Gain on disposal of digital assets | 144 | 129 |
| Impairment loss of trade receivables | (20) | - |
| Reversal of impairment loss of trade receivables | 5 | 11 |
| Impairment loss of investment properties | (24) | (20) |
| Impairment loss of digital assets | - | (81) |
| Reversal of impairment of investment in digital asset | 81 | - |
| Property, plant and equipment written off | (6) | - |
| | 228 | 38 |

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A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

The valuations of property, plant and equipment and investment properties have been brought forward without any amendments from the previous audited financial statements.

A10. MATERIAL EVENTS SUBSEQUENT TO THE CURRENT FINANCIAL QUARTER

There were no material events subsequent to the end of the current financial quarter under review and financial period-to-date that has not been reflected in the interim financial statements.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current financial quarter under review.

A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Save for the material events disclosed in Notes A10 in this quarterly report, there were no contingent liabilities and contingent assets at the end of the current financial quarter under review and financial period-to-date that has not been reflected in the interim financial statements.

A13. CAPITAL COMMITMENTS

There were no capital commitments during the period under review.

A14. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions of the Group are as follows:

Transactions with companies in which a Director of the Company has substantial financial interest

| | As at | As at |
|--------------------|--------------------|--------------------|
| | 31 Dec 2023 | 31 Dec 2022 |
| | RM'000 | RM'000 |
| Rental of premises | <u>371</u> | <u>371</u> |

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B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS FOR THE ACE MARKET

B1. PERFORMANCE REVIEW

| | Individual quarter ended | | Cumulative quarter ended | |
|---|--------------------------|-----------------------|--------------------------|-----------------------|
| | 31 Dec 2023 RM'000 | 31 Dec 2022 RM'000 | 31 Dec 2023 RM'000 | 31 Dec 2022 RM'000 |
| Revenue | 5,927 | 6,236 | 22,776 | 59,923 |
| Profit before interest and taxation (PBIT) | 283 | 209 | 2,716 | 1,141 |
| Profit before taxation (PBT) | 254 | 206 | 2,678 | 1,116 |
| (Loss)/Profit after taxation (LAT/PAT) | (15) | 27 | 1,891 | 573 |
| (Loss)/Profit attributable to ordinary equity holders of the parent | (1) | 18 | 1,942 | 606 |

Review of results for current quarter

For the fourth quarter of the financial year ended 31 December 2023, the Group registered a revenue of RM 5.93 million, PBIT and PBT of RM 0.28 million and RM 0.25 million respectively, as compared to the fourth quarter of the financial year ended 31 December 2022 which the Group recorded a revenue of RM 6.24 million, PBIT and PBT of RM 0.21 million.

Commentary on revenue

The Group recorded a lower revenue for the current quarter as compared to the fourth quarter of the financial period ended 31 December 2022 mainly due to decrease of revenue of E-Commerce division.

Commentary on PBIT/ PBT

The Group recorded a higher PBIT and PBT for the current quarter as compared to the fourth quarter of financial year ended 31 December 2022 mainly due to improved performance in Digital Solutions segments.

Review of results for the financial year ended 31 Dec 2023

For the financial year ended 31 December 2023, the Group registered a revenue of RM 22.78 million, PBIT and PBT of RM 2.72 million and RM 2.68 million respectively, as compared to the financial year ended 31 December 2022 which the Group registered a revenue of RM 59.92 million, PBIT and PBT of RM 1.14 million and RM 1.12 million respectively.

Commentary on revenue

The Group recorded a lower revenue for the current financial year due to a significant decline in B2B transactions in E-commerce segment as compared to the financial year ended 31 December 2022.

Commentary on PBIT/ PBT

The Group recorded a higher PBIT and PBT for current financial year compared to the financial year ended 31 December 2022 and it was mainly due to improvement in overall performance.

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B2. COMMENTS ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

| | Current quarter 31 Dec 2023 RM'000 | Preceding quarter 30 Sep 2023 RM'000 |
|---|---|---|
| Revenue | 5,927 | 7,223 |
| Profit from operations | 283 | 735 |
| Profit before taxation (PBT) | 254 | 733 |
| (Loss)/Profit after taxation (LAT/PAT) | (15) | 501 |
| (Loss)/Profit attributable to ordinary equity holders of the parent | (1) | 520 |

The Group recorded a lower PBT of RM 0.25 million for the current financial quarter under review as compared to RM 0.73 million recorded in the immediate preceding quarter ended 30 September 2023.

The lower PBT for the current quarter was due to lower revenue generated from Digital Solutions and E-Commerce business compared to preceding quarter ended 30 September 2023.

B3. PROSPECTS FOR FINANCIAL YEAR 2024

The management is confident in improving the Group's performance especially in the Digital Solutions segment with the increased revenue from E-Confirm.my and other digital platform solutions. The Group shall also explore the opportunities to export our digital solutions to other potential countries.

B4. VARIANCE ON PROFIT FORECAST AND PROFIT GUARANTEE

Not applicable as no profit forecast or profit guarantee was provided.

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B5. TAXATION

Income tax expense comprises the followings:

| | Individual Quarter Ended | | Cumulative Quarter Ended | |
|------------------------------------|--------------------------|-------------|--------------------------|-------------|
| | 31 Dec 2023 | 31 Dec 2022 | 31 Dec 2023 | 31 Dec 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| In respect of the current period:- | | | | |
| Provision for taxation | 270 | 179 | 784 | 513 |
| (Over)/Underprovision for taxation | (1) | - | 3 | 30 |
| Total income tax expense | 269 | 179 | 787 | 543 |

B6. STATUS OF CORPORATE PROPOSALS

Save for the material events disclosed above and in Notes A10 of this quarterly report, there was no other corporate proposal at the end of the current financial quarter under review and financial period-to-date that has not been reflected in the interim financial statements.

B7. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings denominated in Ringgit Malaysia as at the end of the current financial quarter under review are as follows:

| | Current | Non-Current | Total |
|-------------------|-------------|-------------|--------|
| | Liabilities | Liabilities | |
| | RM'000 | RM'000 | RM'000 |
| Secured | | | |
| Lease liabilities | 400 | 67 | 467 |

B8. MATERIAL LITIGATION

As at the date of this report, there was no material litigation or arbitration, which has a material effect on the financial position of the Group and the Board is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings.

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B9. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share for the current financial quarter and financial period to-date are computed as follows:

| | Individual quarter ended | | Cumulative quarter ended | |
|--|--------------------------|-------------|--------------------------|-------------|
| | 31 Dec 2023 | 31 Dec 2022 | 31 Dec 2023 | 31 Dec 2022 |
| (Loss)/Profit attributed to owners of the parent for the period (RM'000) | (1) | 18 | 1,942 | 606 |
| Weighted average number of issued ordinary shares ('000) | 1,082,630 | 1,079,124 | 1,072,512 | 1,081,137 |
| Basic earnings per share (sen) | (0.00) | 0.00 | 0.18 | 0.06 |

(b) Diluted earnings per share

The diluted earnings per share for current financial quarter and financial period to-date are computed as follows:

| | Individual quarter ended | | Cumulative quarter ended | |
|--|--------------------------|-------------|--------------------------|-------------|
| | 31 Dec 2023 | 31 Dec 2022 | 31 Dec 2023 | 31 Dec 2022 |
| (Loss)/Profit attributed to owners of the parent for the period (RM'000) | (1) | 18 | 1,942 | 606 |
| Weighted average number of issued ordinary shares ('000) | 1,258,713 | 1,260,424 | 1,262,189 | 1,259,169 |
| Diluted earnings per share (sen) | (0.00) | 0.00 | 0.15 | 0.05 |

The basic earnings per share is computed based on the profit attributable to the equity shareholders of the Company divided by weighted average number of ordinary shares in issue for the financial period under review.

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B10. DERIVATIVE FINANCIAL INSTRUMENTS

(a) Disclosure of derivative financial instruments

As at 31 December 2023, the Group does not hold any derivative financial instruments.

(b) Disclosure of gains/losses arising from fair value changes of financial liabilities

There were no gains/losses arising from fair value changes of financial liabilities reported by the Group during the financial period under review.

B11. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Total comprehensive income for the period was derived after charging/(crediting) the following items:

| | Individual quarter ended | | Cumulative quarter ended | |
|---|--------------------------|-----------------------|--------------------------|-----------------------|
| | 31 Dec 2023 RM'000 | 31 Dec 2022 RM'000 | 31 Dec 2023 RM'000 | 31 Dec 2022 RM'000 |
| Bad debt written off | - | 1 | - | 1 |
| Depreciation and amortisation | 309 | 350 | 1,291 | 1,502 |
| Gain on disposal of digital assets | - | (129) | (144) | (129) |
| Gain on disposal of property, plant and equipment | (1) | - | (48) | - |
| Impairment loss of investment properties | 24 | 20 | 24 | 20 |
| Impairment loss of trade receivables | 20 | - | 20 | - |
| Reversal of impairment of investment in digital asset | - | - | (81) | - |
| Reversal of impairment of trade receivables | - | (4) | (5) | (11) |
| Property, plant and equipment written off | 6 | - | 6 | - |
| Rental income | - | - | - | (11) |
| Interest expenses | 29 | 3 | 38 | 25 |
| Interest income | (18) | (21) | (83) | (109) |

Save for items disclosed above and in the Condensed Consolidated Statement of Comprehensive Income, the other items under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

B12. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue on 26 February 2024 as approved by the board of directors.