

ARTRONIQ BERHAD

(Formerly known as PLASTRADE TECHNOLOGY BERHAD)

(Company No.: 200201023414 (591077-X))

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2020

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
		31/12/2020	31/12/2019	31/12/2020	31/12/2019
		RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>					
Revenue		58,252	24,014	167,583	97,358
Cost of sales		(56,122)	(23,448)	(162,626)	(95,050)
Gross profit		2,130	566	4,957	2,308
Other income		12	7	18	107
Administrative expenses		(1,378)	(715)	(3,477)	(2,257)
Selling and distribution expenses		(426)	(33)	(1,636)	(158)
Other operating expenses		(1,400)	-	(3,000)	-
Finance costs		(17)	(6)	(151)	(117)
Loss before tax	20	(1,079)	(181)	(3,289)	(117)
Tax expense	21	(315)	(102)	(519)	(342)
Loss from continuing operations, net of tax		(1,394)	(283)	(3,808)	(459)
<u>Discontinued operations</u>					
Loss from discontinued operations, net of tax		(4,849)	(474)	(8,018)	(1,772)
Loss and total comprehensive loss for the period		(6,243)	(757)	(11,826)	(2,231)
Loss attributable to:					
Equity holder of the Company		(6,243)	(757)	(11,826)	(2,231)
Non-controlling interest		-	-	-	-
Loss per share attributable to equity holders of the Company (sen):					
Basic and diluted	28				
- continuing operations		(0.48)	(0.16)	(1.32)	(0.25)
- discontinued operations		(1.68)	(0.25)	(2.78)	(0.95)
		(2.16)	(0.41)	(4.10)	(1.20)

(The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and the accompanying explanatory notes attached to the Quarterly Report.)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	(UNAUDITED) AS AT 31/12/2020 RM'000	(AUDITED) AS AT 31/12/2019 RM'000
Note		
ASSETS		
Non-Current Assets		
Property, plant and equipment	7,858	9,157
Investment in unquoted share	1,000	4,000
Goodwill on consolidation	15,413	5,275
Right of use asset	33	139
Intangible assets	-	49
	<u>24,304</u>	<u>18,620</u>
Current Assets		
Inventories	-	4,966
Trade receivables	3,987	2,255
Other receivables, deposit and prepayments	6,701	1,037
Income tax assets	270	195
Fixed deposits with licensed banks	1,234	164
Cash and bank balances	6,401	6,769
	<u>18,593</u>	<u>15,386</u>
TOTAL ASSETS	<u>42,897</u>	<u>34,006</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	39,642	27,722
Retained (loss)/profits	(10,795)	1,031
Total equity	<u>28,847</u>	<u>28,753</u>
Non-Current Liabilities		
Contingent consideration	1,374	-
Lease liability	-	36
Long term borrowings	189	300
Deferred tax liabilities	3	27
	<u>1,566</u>	<u>363</u>
Current Liabilities		
Trade payables	726	1,426
Other payables and accruals	9,950	2,165
Contingent consideration	1,435	916
Income tax liabilities	225	47
Lease liability	36	105
Short term borrowings	112	231
	<u>12,484</u>	<u>4,890</u>
Total liabilities	<u>14,050</u>	<u>5,253</u>
TOTAL EQUITY AND LIABILITIES	<u>42,897</u>	<u>34,006</u>
Net assets per share (sen) attributable to equity holders of the Company	<u>9.98</u>	<u>15.43</u>

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and the accompanying explanatory notes attached to the Quarterly Report.)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2020

	< ----- Attributable to equity holders of the Company ----- >		
	Non-Distributable	Distributable	
	SHARE CAPITAL RM'000	RETAINED (LOSS)/PROFITS RM'000	TOTAL RM'000
Balance at 01 January 2020	27,722	1,031	28,753
Loss and total comprehensive loss for the period	-	(11,826)	(11,826)
Contribution by and distributions to owner of the Company:			
- Issuance of shares	11,920	-	11,920
Balance at 31 December 2020	39,642	(10,795)	28,847
Balance at 01 January 2019	27,722	3,262	30,984
Loss and total comprehensive loss for the period	-	(2,231)	(2,231)
Balance at 31 December 2019	27,722	1,031	28,753

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and the accompanying explanatory notes attached to the Quarterly Report.)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 DECEMBER 2020

	12 MONTHS ENDED	
	CURRENT YEAR TO DATE 31/12/2020 RM'000	PRECEDING YEAR TO DATE 31/12/2019 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Loss before tax		
- continuing operations	(3,289)	(135)
- discontinued operations	(8,041)	(1,772)
	(11,330)	(1,907)
Adjustments for :-		
Depreciation of property, plant and equipment	589	716
Depreciation of right of use asset	98	70
Amortisation of intangible assets	49	5
Gain on disposal of property, plant and equipment	-	(20)
Impairment loss on property, plant and equipment	744	-
Change in fair value of investment in unquoted share	3,000	-
Impairment loss on trade receivables	4	27
Reversal of impairment loss on trade receivables	(601)	(691)
Inventories written down	3,975	40
Reversal of inventories previously written down	(39)	(21)
Interest expense	107	297
Interest income	(32)	(65)
Debt written off	8	-
Property, plant and equipment written off	-	5
Unrealised loss/(gain) on foreign exchange	20	(2)
	(3,408)	(1,546)
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES		
Inventories	1,031	4,432
Trade and other receivables	(6,917)	9,459
Trade and other payables	7,174	(1,504)
	(2,120)	10,841
CASH (FOR)/FROM OPERATIONS		
Interest received	32	65
Tax refund	-	998
Tax paid	(416)	(641)
	(2,504)	11,263
NET CASH (FOR)/FROM OPERATING ACTIVITIES		
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Fixed deposits pledged to licensed banks	(270)	1,920
Purchase of property, plant and equipment	(33)	(104)
Proceeds from disposal of plant and equipment	-	365
Payment of contingent consideration	(1,000)	(2,010)
Acquisition of business undertaking, net of cash and cash equivalents acquired	679	-
	(624)	171
NET CASH (FOR)/FROM INVESTING ACTIVITIES		

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and the accompanying explanatory notes attached to the Quarterly Report.)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 DECEMBER 2020 (CONT'D)

	12 MONTHS ENDED	
	CURRENT YEAR TO DATE 31/12/2020 RM'000	PRECEDING YEAR TO DATE 31/12/2019 RM'000
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	3,911	-
Interest paid	(23)	(210)
Repayment of hire purchase payables	(107)	(384)
Repayment of lease liability	(97)	(68)
Net repayment of bankers' acceptance	-	(6,985)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	3,684	(7,647)
NET INCREASE IN CASH AND CASH EQUIVALENTS	556	3,787
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	6,645	2,858
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	7,201	6,645

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and the accompanying explanatory notes attached to the Quarterly Report.)

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2020

1. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2019. The explanatory notes attached to the condensed consolidated interim financial statements provide 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 2019.

2. Significant Accounting Policies

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2019 except for the adoption of the following Amendments to MFRSs during the current financial period:

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 101 and MFRS 108: Definition of Material
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
- Amendments to MFRS 16: Covid-19-Related Rent Concessions

The initial application of the above Amendments to MFRSs does not have any significant financial impact to the Group’s results.

3. Auditors' Report of Preceding Annual Financial Statements

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

4. Seasonal or Cyclical Factors

There were no seasonal or cyclical factors affecting the results of the Group for the current financial quarter.

5. Unusual Items

There were no other items which were unusual because of their nature, size, or incidence that has affected the assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter.

6. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior interim periods that have a material effect on the current financial quarter.

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial quarter except the following under financial period-to-date as disclosed in Note 25:

On 18 March 2020, the Company issued 76,266,000 new ordinary shares at RM0.105 per share for a total consideration of RM8.009 million as part of purchase consideration for acquisition of the business undertakings in EA Comtronix Sdn Bhd (“EAC”).

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2020

7. Debt and Equity Securities (cont'd)

On 12 October 2020, the Company has been completed the listing of and quotation for 26,266,600 private placement of new ordinary shares on the ACE Market of Bursa Securities.

8. Dividend Paid

There was no dividend paid during the current financial quarter.

9. Segmental Information

Quarter Ended 31 December 2020	<u>Continuing operations</u>				<u>Discontinued operations</u>			
	Investment Holding	ICT products	Inter-company elimination	Total	Resin compound for wire and cable	Resin compound for other industries	Inter-company elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	-	58,252	-	58,252	10	10	-	20
Inter-segment revenue	90	-	(90)	-	-	-	-	-
Total revenue	90	58,252	(90)	58,252	10	10	-	20
Segment result	(2,169)	1,147	(40)	(1,062)	(1,882)	(2,974)	9	(4,847)
Finance cost	(3)	(14)	-	(17)	-	(33)	31	(2)
(Loss)/Profit before tax	(2,172)	1,133	(40)	(1,079)	(1,882)	(3,007)	40	(4,849)
Quarter Ended 31 December 2019	Investment Holding	ICT products	Inter-company elimination	Total	Resin compound for wire and cable	Resin compound for other industries	Inter-company elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	-	24,014	-	24,014	1,868	521	-	2,389
Inter-segment revenue	30	-	(30)	-	12	172	(184)	-
Total revenue	30	24,014	(30)	24,014	1,880	693	(184)	2,389
Segment result	(422)	280	(33)	(175)	(25)	(433)	2	(456)
Finance cost	(4)	(2)	-	(6)	(17)	(56)	41	(32)
(Loss)/Profit before tax	(426)	278	(33)	(181)	(42)	(489)	43	(488)

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2020

9. Segmental Information (cont'd)

12 Months Ended 31 December 2020	<u>Continuing operations</u>				<u>Discontinued operations</u>			
	Investment Holding	ICT products	Inter-company elimination	Total	Resin compound for wire and cable	Resin compound for other industries	Inter-company elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	-	167,583	-	167,583	2,096	225	-	2,321
Inter-segment revenue	180	1	(181)	-	13	283	(296)	-
Total revenue	180	167,584	(181)	167,583	2,109	508	(296)	2,321
Segment result	(4,964)	1,983	(157)	(3,138)	(3,275)	(4,768)	32	(8,011)
Finance cost	(96)	(55)	-	(151)	(15)	(140)	125	(30)
(Loss)/Profit before tax	(5,060)	1,928	(157)	(3,289)	(3,290)	(4,908)	157	(8,041)
Segment assets	37,068	26,018	(29,279)	33,807	10,918	6,159	(7,987)	9,090
Segment liabilities	7,199	21,027	(15,653)	12,573	403	8,112	(7,038)	1,477
12 Months Ended 31 December 2019	Investment Holding	ICT products	Inter-company elimination	Total	Resin compound for wire and cable	Resin compound for other industries	Inter-company elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	-	97,358	-	97,358	17,701	3,445	-	21,146
Inter-segment revenue	120	-	(120)	-	39	1,863	(1,902)	-
Total revenue	120	97,358	(120)	97,358	17,740	5,308	(1,902)	21,146
Segment result	(1,214)	1,381	(167)	-	(548)	(1,033)	21	(1,560)
Finance cost	(105)	(12)	-	(117)	(155)	(221)	146	(230)
(Loss)/Profit before tax	(1,319)	1,369	(167)	(117)	(703)	(1,254)	167	(1,790)
Segment assets	26,752	4,953	(16,958)	14,747	15,294	9,963	(5,998)	19,259
Segment liabilities	3,743	1,370	(2,055)	3,058	1,512	7,009	(6,326)	2,195

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2020

9. Segmental Information (cont'd)**Geographical reporting:**

	Quarter Ended			12 Months Ended		
	31/12/2020	31/12/2019	Changes	31/12/2020	31/12/2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<u>Continuing operations</u>						
Malaysia	3,685	6,142	-40.00%	8,559	24,629	-65.25%
Asia	37,605	17,577	113.94%	103,214	70,495	46.41%
Middle East	7,190	295	2337.29%	14,076	2,234	530.08%
America	7,041	-	100.00%	38,659	-	100.00%
Others	2,731	-	100.00%	3,075	-	100.00%
	58,252	24,014	142.58%	167,583	97,358	72.13%
<u>Discontinued operations</u>						
Malaysia	20	1,494	-98.66%	1,177	15,595	-92.45%
Asia	-	895	-100.00%	1,144	5,170	-77.87%
Middle East	-	-	0.00%	-	156	-100.00%
Others	-	-	0.00%	-	225	-100.00%
	20	2,389	-99.16%	2,321	21,146	-89.02%

10. Material Events Subsequent to the End of the Current Quarter

Save for those disclosed in Note 25, there were no events materially affecting the results of the Group for the financial period-to-date, which might have occurred between 31 December 2020 and the date of this announcement.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current financial quarter except the following under financial period-to-date:

On 18 March 2020, the Company and its new wholly owned subsidiary, Artronix Sdn Bhd (“Artronix”) have completed its acquisition of the business undertakings in EAC as disclosed in Note 25. Artronix commenced its business in 2nd quarter of 2020 and its principal activity is involved in importing and exporting of information and communication technology (“ICT”) products.

12. Changes in Contingent Liabilities and Contingent Assets

There were no changes in the material contingent liabilities or assets of the Group as at the date of this announcement.

13. Capital Commitments

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

14. Comparatives

The comparatives for the Consolidated Statement of Profit or Loss and Other Comprehensive Income have been re-presented to show the discontinued operations pursuant to the cessation of manufacturing business of resin compound for wire and cable and resin compound for other industries in current financial quarter.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2020

15. Significant Related Party Transactions

The related party transactions are taken under normal course of business and on terms that are not more favourable than those available to other third parties.

Save as disclosed in the below, there were no significant related party transactions of the Group for the financial period-to-date:

	Quarter Ended 31/12/2020 RM'000	12 Months Ended 31/12/2020 RM'000
<u>Discontinued operations</u>		
Transaction in which the Major shareholder, Mr. Pua Kong Hoi, of the Company has interest:		
<i>Plastrade Materials Technology Sdn Bhd</i>		
- Purchase of goods	-	(150)
- Handling fees	-	10
	<u> </u>	<u> </u>

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS FOR THE ACE MARKET OF THE BURSA MALAYSIA SECURITIES BERHAD**16. Review of Group Performance****Current Financial Quarter****Continuing operations**

The Group recorded a revenue of RM58.252 million for the current quarter ended 31 December 2020 (4Q2020), representing an increase of approximately 143% as compared to the preceding year corresponding quarter ended 31 December 2019 (4Q2019) of RM24.014 million. The Group recorded a loss before tax of RM1.079 million for 4Q2020 as compared to a loss before tax of RM0.181 million for 4Q2019.

ICT products:

Revenue increased by 143% to RM58.252 million in 4Q2020 as compared to 4Q2019 was due to contribution from new subsidiary, Artronix. This business recorded a profit before tax of RM1.133 million for 4Q2020 as compared with a profit before tax of RM0.278 million for 4Q2019. The increase in profit was due to the contribution of the new subsidiary, Artronix in the market.

Discontinued operations

Manufacturing business of resin compound for wire and cable and resin compound for other industries had ceased its operations on 22 September 2020.

Cumulative Quarter: 12 months ended 31 December 2020 compared to 12 months ended 31 December 2019**Continuing operations**

The Group's revenue had increased by 72% to RM167.583 million from RM97.358 million as compared to the preceding year ended 31 December 2019. However, the Group recorded a loss before tax of RM3.289 million for the year ended 31 December 2020 as compared to a loss before tax of RM0.117 million for the preceding year ended 31 December 2019. The increase in loss was mainly due to change in fair value of investment in unquoted share and expenses incurred for corporate exercises.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2020

17. Comparison with Previous Quarter's Results

Continuing operations	Revenue			(Loss)/Profit before tax		
	Current Quarter	Preceding Quarter		Current Quarter	Preceding Quarter	
Segment	31/12/2020	30/09/2020	Changes	31/12/2020	30/09/2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Investment holding	-	-	0.00%	(2,211)	(2,152)	-2.74%
ICT products	58,252	57,762	0.85%	1,132	335	237.91%
Total	58,252	57,762	0.85%	(1,079)	(1,817)	40.62%

Discontinued operations	Revenue			Loss before tax		
	Current Quarter	Preceding Quarter		Current Quarter	Preceding Quarter	
Segment	31/12/2020	30/09/2020	Changes	31/12/2020	30/09/2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Resin compound for wire and cable	10	-	100.00%	(1,866)	(1,272)	-46.70%
Resin compound for other industries	10	69	-85.51%	(2,983)	(1,074)	-177.75%
Total	20	69	-71.01%	(4,849)	(2,346)	-106.69%

Continuing operations

For 4Q2020, the Group recorded a revenue of RM58.252 million, representing an increase of approximately 0.85% as compared to the previous quarter ended 30 September 2020 (3Q2020) of RM57.762 million. However, the Group recorded a loss before tax of RM1.079 million in 4Q2020 as compared to 3Q2020 of loss before tax of RM1.817 million. The decrease in loss for 4Q2020 was mainly due to the contribution of the new subsidiary, Artronix in the ICT segment.

18. Prospects

The global economy has been in uncharted territory with the fallout from the COVID-19 pandemic. The Group is striving to rectify the situation by reviewing, revisiting and realigning our next steps and strategies to ensure the continuity of the business. Besides, the Group will also work to seek more opportunities beyond these businesses to mitigate the risks and find a way to overcome this hurdle together. The Board of Directors will continuously assess the impact of COVID-19 on its operations and financial performance of the Group for the financial year 2021.

19. Variance of Profit Forecast

Not applicable as no profit forecast has been issued.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2020

20. Loss Before Tax

Loss before tax is arrived at after charging/(crediting):

	Quarter Ended		12 Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	96	181	589	716
Depreciation of right of use asset	25	26	98	70
Amortisation of intangible assets	-	5	49	5
Gain on disposal of property, plant and equipment	-	-	-	(20)
Property, plant and equipment written off	-	-	-	5
Impairment loss on property, plant and equipment	-	-	744	-
Change in fair value of investment in unquoted share	1,400	-	3,000	-
Impairment loss on trade receivables	-	-	4	27
Reversal of impairment loss on trade receivables	(8)	(302)	(601)	(691)
Debt written off	8	-	8	-
Inventories written down	3,975	-	3,975	40
Reversal of inventories previously written down	(2)	(78)	(39)	(21)
Provision of litigation claim (Note 1)	-	-	286	-
Interest expense	4	86	107	297
Interest income	(14)	(11)	(32)	(65)
Net loss on foreign exchange	182	145	202	121

*Note 1: Provision amount is arising from disclosure in Note 27.***21. Tax Expense**

Tax expense comprise of the following:

	Quarter Ended		12 Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
<u>Income tax</u>				
Current year				
- continuing operations	310	102	509	350
Prior year				
- continuing operations	6	(1)	11	(7)
- discontinued operations	-	(14)	-	(18)
<u>Deferred tax</u>				
Current year				
- continuing operations	(1)	-	(1)	(2)
Prior year				
- continuing operations	-	1	-	1
- discontinued operations	-	-	(23)	-
	315	88	496	324

The Group's effective tax rate for financial period ended 31 December 2020 is within the range of statutory tax rate of 24%. Income tax expense is recognised based on management's best estimation.

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22. Financial instruments**Classification**

The following table analyses the financial assets and financial liabilities of the Group in the condensed consolidated statement of financial position by the classes and categories of financial instruments to which they are assigned by their measurement basis.

	As At 31/12/2020 RM'000	As At 31/12/2019 RM'000
Financial Assets		
<i><u>Fair value through profit or loss</u></i>		
Investment in unquoted share	1,000	4,000
<i><u>At amortised cost</u></i>		
Trade receivables	3,987	2,255
Other receivables and deposits	6,636	772
Fixed deposits with licensed banks	1,234	164
Cash and bank balances	6,401	6,769
	<u>18,258</u>	<u>9,960</u>
Total financial assets	<u>19,258</u>	<u>13,960</u>
Financial Liabilities		
<i><u>At amortised cost</u></i>		
Trade payables	726	1,426
Other payables and accruals	9,950	2,142
Contingent consideration	2,809	916
Lease liability	36	141
Bank borrowings	301	531
Total financial liabilities	<u>13,822</u>	<u>5,156</u>

23. Fair Value Information

At the end of the reporting period, except for disclosed in Note 22 there were no financial instruments carried at fair values in the statement of financial position.

The carrying amount of financial assets and financial liabilities at amortised cost are reasonable approximation of their fair values.

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24. Cash and Cash Equivalents

Cash and cash equivalents included in the statement of cash flows comprise of the following:

	As At 31/12/2020 RM'000	As At 31/12/2019 RM'000
Fixed deposits with licensed banks		
- continuing operations	1,234	164
Cash and bank balances		
- continuing operations	5,181	3,252
- discontinued operations	1,220	3,517
Bank overdrafts		
- discontinued operations	-	(124)
	<u>7,635</u>	<u>6,809</u>
Less: Fixed deposits pledged to licensed banks		
- continuing operations	(434)	(164)
	<u>7,201</u>	<u>6,645</u>

Fixed deposits of the Group totaling of RM0.434 million, which have been pledged to banks for banking facilities granted to subsidiaries are not available for general use by the Group other than to meet the obligations under the banking facilities.

25. Status of Corporate Proposals Announced

On 6 January 2020, the Company and its wholly owned subsidiary, Artronix have entered into a sale of business agreement (“SBA”) with EAC for the proposed acquisition of the business undertakings of EAC including the identified assets and liabilities for a purchase consideration of RM12 million, to be satisfied via a combination of new ordinary shares and cash. The cash consideration will only be fully satisfied provided Artronix shall achieve a profit after tax of RM1.5 million for the financial year ended 31 December 2020 and 31 December 2021 respectively. The acquisition has been completed on 18 March 2020 in accordance with the terms of the SBA.

On 23 July 2020, Plascable Polymer Sdn Bhd, a wholly owned subsidiary of the Company, has entered into a conditional sale and purchase agreement (“SPA”) with Actgen Industry Sdn Bhd for the proposed disposal of the Property held under H.S.(D) 493851, Lot PTD 76050, Mukim Tebrau, Daerah Johor Bahru, for a cash consideration of RM10.65 million. The proposed disposal has obtained shareholders’ approval at the Extraordinary General Meeting held on 30 October 2020. The SPA has been made unconditional on 19 November 2020 (“unconditional date”). Pursuant to the provisions of the SPA, the extended completion date shall fall on 18 April 2021. The Group expects to complete the transaction by April 2021.

On 30 July 2020, the Company proposed to undertake a private placement of up to 26,266,600 new ordinary shares, representing not more than 10% of its issued ordinary shares of the Company. The proceeds from the private placement will be utilised in the manner of purchase inventories for the expansion of ICT business. The proposed private placement has been completed following the listing of and quotation for 26,266,600 placement shares on the ACE Market of Bursa Securities on 12 October 2020.

The status of the utilisation of the proceeds raised from the private placement of 26,266,600 shares at an issue price of RM0.1489 per share amounting to RM3,911,097 is as follows:

Purposes:	Amount Raised RM'000	Amount Utilised RM'000	Balance Unutilise RM'000	Timeframe for Utilisation
Expansion of ICT business	3,738	(1,000)	2,738	Within 3 years
Private placement costs	173	(173)	-	Immediately
	<u>3,911</u>	<u>(1,173)</u>	<u>2,738</u>	

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25. Status of Corporate Proposals Announced (cont'd)

On 28 August 2020, the Board of Directors had announced that the Company proposed to change its name from “Plastrade Technology Berhad” to “Artroniq Berhad” of which shareholders’ approval at the Extraordinary General Meeting held on 30 October 2020 had been obtained. The name of the Company has been changed to Artroniq Berhad with effect from 30 October 2020.

On 29 December 2020, the Company proposed private placement of up to 86,679,000 new ordinary shares, representing not more than 30% of the issued ordinary shares of the Company. The proceeds raised are expected to be utilised for future viable investment and working capital for the Group. The proposed private placement is expected to be completed by the second quarter of 2021. Bursa Securities had, vide its letter dated 19 February 2021, approved the listing of and quotation for up to 86,679,000 placement shares to be issued pursuant to the proposed private placement subject to the conditions as provided under the ACE Market Listing Requirements.

On 8 January 2021, the Company intends to seek its shareholders’ approval for the proposed amendment to the Constitution of the Company and proposed additional 10% general mandate in relation to the authority to issue shares pursuant to sections 75 and 76 of the Companies Act, 2016. The Proposals have obtained shareholders’ approval at the Extraordinary General Meeting held on 3 February 2021.

On 10 February 2021, the Company and its wholly owned subsidiary, Artroniq Innovation Sdn Bhd (“AISB”) (incorporated as a private limited company in Malaysia on 6 January 2021 and its principal activities are the provision of point of sales (“POS”) solutions and distributions of POS hardware, peripherals and related services) has entered into a Collaboration Agreement with Heng Chip Hian (“HCH”) to establish the manner in which the Collaboration Company, namely AISB (“CC”) and the intended business to be carried out by CC. The proposed shareholding structure of the CC shall be 51% held by the Company and 49% held by HCH. The proposed Collaboration is intended to enable the parties to combine their skills, expertise, experience and capabilities collectively with regard to the business and will strengthen the Group’s core competencies in the information and communication technology industry. Such Collaboration is not expected to have any material effect to the Group and it does not require approval from the shareholders of the Company or any relevant authorities.

26. Group Borrowings and Debt Securities

The Group borrowings as of 31 December 2020 are as follows:

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Long term borrowings			
Hire purchase payables	189	-	189
Short term borrowings			
Hire purchase payables	112	-	112
Total borrowings			
Hire purchase payables	301	-	301

No borrowing in foreign currency.

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27. Material Litigation

On 29 June 2020, the Board of Directors wishes to inform that the Company had received a legal opinion from Company's solicitors, K.S. Ong & Co., informing that a sealed copy of Writ of Summons and Statement of Claim via Johor Bahru Sessions Court Civil Suit No: JA-A52NCC-134-06/2020 was served to MHT Manufacturing Sdn Bhd ("MHT" or "the Defendant"), a wholly owned subsidiary, by Messrs Lee & Tengku Azrina, the Advocates & Solicitors ("the Plaintiff's solicitors) for Ravago Hong Kong Limited ("Ravago" or "the Plaintiff"). The Plaintiff claims damages and losses on rejection of the goods against the Defendant for sum of USD66,825.55 (equivalent of RM286,347 at rate USD 1 = RM4.285).

Subsequent to the Writ of Summons and Statement of Claim filed by the Plaintiff, K.S. Ong & Co. have filed the Memorandum of Appearance on 6 July 2020, filed the Defence on 16 July 2020 and filed the Notice of Application of Security for Costs together with the Affidavit in Support on 20 July 2020. On 11 September 2020, Plaintiff's solicitors received a sum of RM12,000 from the Plaintiff being the Security Cost and they act as a stakeholder who will then hold the monies for the Defendant till the decision of the main suit. The sum had been deposited to Plaintiff's solicitors account on 18 September 2020. The Plaintiff's solicitors have filed the Notice of Application together with the Affidavit On Application Under Order 14 Rule 2 Rules Of Court 2012 and fixed for Hearing of Notice Application on 5 November 2020. On the same day 5 November 2020, K.S. Ong & Co. have received the Plaintiff's Application for Summary Judgment and the Court has given the Defendant to file Affidavit Jawapan by 3 December 2020. Subsequent to the Notice of Application for Summary Judgment dated 4 November 2020 together with the Affidavit Sokongan filed by the Plaintiff, K.S. Ong & Co. have filed the Affidavit Jawapan Defendan on 1 December 2020, received the Affidavit Balasan Plaintiff on 13 January 2021 and filed the Affidavit Balasan Defendan on 27 January 2021. The Parties are required to file the Written Submission by 24 February 2021 and Written Submission in Reply by 17 March 2021. The Court has fixed 1 April 2021 for decision.

The above litigation case has no material impact to the Group.

28. Loss Per Share

	Quarter Ended		12 Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Loss				
Net loss attributable to equity holders of the Company (RM'000)				
- continuing operations	(1,394)	(283)	(3,808)	(459)
- discontinued operations	(4,849)	(474)	(8,018)	(1,772)
	<u>(6,243)</u>	<u>(757)</u>	<u>(11,826)</u>	<u>(2,231)</u>
Basic				
Weighted average number of the ordinary shares in issue ('000)				
	<u>288,933</u>	<u>186,400</u>	<u>288,933</u>	<u>186,400</u>
Basic Loss per ordinary share (sen)				
- continuing operations	(0.48)	(0.16)	(1.32)	(0.25)
- discontinued operations	(1.68)	(0.25)	(2.78)	(0.95)
	<u>(2.16)</u>	<u>(0.41)</u>	<u>(4.10)</u>	<u>(1.20)</u>

Diluted earnings per share is equal to the basic earnings per share as there were no potential ordinary shares outstanding in both the previous and current period.

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29. Proposed Dividend

No dividend was declared or proposed during the current financial quarter.

30. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 February 2021.

BY ORDER OF THE BOARD OF
ARTRONIQ BERHAD