

**ARTRONIQ BERHAD**

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

(Incorporated in Malaysia)

**SECOND QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023**

|   | Note | INDIVIDUAL QUARTER                             |  | CUMULATIVE QUARTER<br>(6 Months Ended)         |  |
|---|------|--|--|--|--|
|   |      | CURRENT PERIOD QUARTER<br>31/12/2023<br>RM'000 | PRECEDING PERIOD CORRESPONDING QUARTER<br>31/12/2022<br>RM'000 | CURRENT PERIOD TO DATE<br>31/12/2023<br>RM'000 | PRECEDING PERIOD TO DATE<br>31/12/2022<br>RM'000 |
| <b><u>Continuing operations</u></b>   |      |  |  |  |  |
| Revenue   |      | 15,370   | -  | 31,413   | -  |
| Cost of sales   |      | (11,971)                                       | -  | (25,292)                                       | -  |
| <b>Gross profit</b>   |      | <b>3,399</b>                                   | <b>-</b>   | <b>6,121</b>                                   | <b>-</b>   |
| Other income  |      | (817)  | -  | 1,568  | -  |
| Administrative expenses   |      | (2,557)  | -  | (7,467)  | -  |
| Selling and distribution expenses   |      | (107)  | -  | (228)  | -  |
| Loss from operations  |      | (82)   | -  | (6)  | -  |
| Finance costs   |      | (107)  | -  | (194)  | -  |
| <b>Loss before tax</b>  |      | <b>(189)</b>                                   | <b>-</b>   | <b>(200)</b>                                   | <b>-</b>   |
| Tax expenses  | 20   | (1,062)  | -  | (1,867)  | -  |
| <b>Loss from continuing operations, net of tax</b>                                  |      | <b>(1,251)</b>                                 | <b>-</b>   | <b>(2,067)</b>                                 | <b>-</b>   |
| <b><u>Discontinued operations</u></b>   |      |  |  |  |  |
| Profit from discontinued operations, net of tax                                     |      | 55   | -  | 36   | -  |
| <b>Loss for the period, representing total comprehensive deficit for the period</b> |      | <b>(1,196)</b>                                 | <b>-</b>   | <b>(2,031)</b>                                 | <b>-</b>   |
| <b>Loss attributable to:</b>  |      |  |  |  |  |
| Equity holder of the Company  |      | (1,167)  | -  | (2,099)  | -  |
| Non-controlling interest  |      | (29)   | -  | 68   | -  |
|   |      | <b>(1,196)</b>                                 | <b>-</b>   | <b>(2,031)</b>                                 | <b>-</b>   |
| <b>Loss per share attributable to equity holders of the Company (sen):</b>          |      |  |  |  |  |
| Basic   | 27   |  |  |  |  |
| - continuing operations   |      | (0.34)   | -  | (0.59)   | -  |
| - discontinued operations   |      | 0.02   | -  | 0.01   | -  |
|   |      | <b>(0.32)</b>                                  | <b>-</b>   | <b>(0.58)</b>                                  | <b>-</b>   |
| Dilute  | 27   |  |  |  |  |
| - continuing operations   |      | (0.22)   | -  | (0.39)   | -  |
| - discontinued operations   |      | 0.01   | -  | 0.01   | -  |
|   |      | <b>(0.21)</b>                                  | <b>-</b>   | <b>(0.38)</b>                                  | <b>-</b>   |

## Notes:

- No comparative figures were disclosed as the Group changed its financial year end from 31 December to 30 June during the preceding 18 months' period ended 30 June 2023.
- 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 period ended 30 June 2023 and the accompanying explanatory notes attached to the Quarterly Report.

**ARTRONIQ BERHAD**

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023**

|  | <b>UNAUDITED<br/>AS AT<br/>31/12/2023<br/>RM'000</b> | <b>AUDITED<br/>AS AT<br/>30/6/2023<br/>RM'000</b> |
|--|--|---|
|  | <b>Note</b>  |   |
| <b>ASSETS</b>                              |  |   |
| <b>Non-Current Assets</b>                  |  |   |
| Property, plant and equipment              | 7,300  | 5,766   |
| Investment property                        | 1,500  | 1,500   |
| Right-of-use assets                        | 2,543  | 2,224   |
| Goodwill on consolidation                  | 12,923   | 12,923  |
|  | <u>24,266</u>  | <u>22,413</u>                                     |
| <b>Current Assets</b>                      |  |   |
| Inventories                                | 2,099  | 1,990   |
| Trade receivables                          | 54,989   | 50,198  |
| Other receivables, deposits and prepayment | 18,941   | 17,080  |
| Short-term investment                      | -  | 56  |
| Income tax assets                          | 1,249  | 591   |
| Fixed deposits with licensed banks         | 750  | 748   |
| Cash and bank balances                     | 3,250  | 1,144   |
|  | <u>81,278</u>  | <u>71,807</u>                                     |
| <b>TOTAL ASSETS</b>                        | <u>105,544</u>                                       | <u>94,220</u>                                     |

**ARTRONIQ BERHAD**

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (CONT'D)**

|   | UNAUDITED<br>AS AT<br>31/12/2023<br>RM'000 | AUDITED<br>AS AT<br>30/6/2023<br>RM'000 |
|---|--|---|
| <b>EQUITY AND LIABILITIES</b>                                   |  |   |
| <b>Equity</b>   |  |   |
| Share capital   | 109,723                                    | 58,643                                  |
| Accumulated losses  | (20,082)                                   | (17,977)                                |
| <b>Total equity attributable to Owners of the Company</b>       | <u>89,641</u>                              | <u>40,666</u>                           |
| Non-controlling interests                                       | 1,894                                      | 1,826                                   |
| <b>Total equity</b>   | <u>91,535</u>                              | <u>42,492</u>                           |
| <b>Non-Current Liabilities</b>                                  |  |   |
| Loans and borrowings  | 25 1,281                                   | 1,575                                   |
| Lease liabilities   | 2,072                                      | 1,934                                   |
| Deferred tax liabilities  | 205  | 205                                     |
|   | <u>3,558</u>                               | <u>3,714</u>                            |
| <b>Current Liabilities</b>                                      |  |   |
| Trade payables  | 4,935                                      | 36,828                                  |
| Other payables and accruals                                     | 961  | 3,840                                   |
| Contract liability  | 220  | 4,260                                   |
| Loans and borrowings  | 25 2,112                                   | 1,898                                   |
| Lease liabilities   | 607  | 399                                     |
| Income tax liabilities  | 1,616                                      | 789                                     |
|   | <u>10,451</u>                              | <u>48,014</u>                           |
| <b>Total liabilities</b>  | <u>14,009</u>                              | <u>51,728</u>                           |
| <b>TOTAL EQUITY AND LIABILITIES</b>                             | <u>105,544</u>                             | <u>94,220</u>                           |
| Net assets per share (sen) attributable to owner of the Company | <u>21.97</u>                               | <u>12.39</u>                            |

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the period ended 30 June 2023 and the accompanying explanatory notes attached to the Quarterly Report.

**ARTRONIQ BERHAD**

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023**

|  | -----Attributable to owner of the Company----- |                              |                 |                          |               |
|--|--|------------------------------|-----------------|--------------------------|---------------|
|  | Non-Distributable                              | Distributable                |                 | NON-CONTROLLING INTEREST | TOTAL EQUITY  |
|  | SHARE CAPITAL<br>RM'000                        | ACCUMULATED LOSSES<br>RM'000 | TOTAL<br>RM'000 | RM'000                   | RM'000        |
| <b>Balance as at 1 July 2023</b>   | 58,643   | (17,977)                     | 40,666          | 1,826                    | 42,492        |
| Prior year adjustment  | -  | (6)                          | (6)             | -                        | (6)           |
| As restated  | 58,643   | (17,983)                     | 40,660          | 1,826                    | 42,486        |
| Loss for the period,<br>representing total<br>comprehensive deficit for<br>the period  | -  | (2,099)                      | (2,099)         | 68                       | (2,031)       |
| Contributions by owners of<br>the Company:   |  |                              |                 |                          |               |
| - Issuance of shares   | 51,080   | -                            | 51,080          | -                        | 51,080        |
| <b>Balance as at 31 December 2023</b>  | <b>109,723</b>                                 | <b>(20,082)</b>              | <b>89,641</b>   | <b>1,894</b>             | <b>91,535</b> |
| <b>Balance as at 1 July 2022</b>   | -  | -                            | -               | -                        | -             |
| Profit for the period,<br>representing total<br>comprehensive income for<br>the period | -  | -                            | -               | -                        | -             |
| Contributions by owners of<br>the Company:   |  |                              |                 |                          |               |
| - Issuance of shares   | -  | -                            | -               | -                        | -             |
| <b>Balance as at 31 December 2022</b>  | <b>-</b>                                       | <b>-</b>                     | <b>-</b>        | <b>-</b>                 | <b>-</b>      |

## Notes:

- i. No comparative figures were disclosed as the Group changed its financial year end from 31 December to 30 June during the preceding 18 months' period ended 30 June 2023.
- ii. The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the period ended 30 June 2023 and the accompanying explanatory notes attached to the Quarterly Report.

**ARTRONIQ BERHAD**

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023**

|   | Note | 6 MONTHS ENDED                                 |  |
|---|------|--|--|
|   |      | CURRENT PERIOD TO DATE<br>31/12/2023<br>RM'000 | PRECEDING PERIOD TO DATE<br>31/12/2022<br>RM'000 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |      |  |  |
| Loss before tax   |      | (170)  | -  |
| Adjustments for:-   |      |  |  |
| Depreciation of property, plant and equipment               |      | 596  | -  |
| Depreciation of right-of-use assets                         |      | 328  | -  |
| Gain on disposal of property, plant and equipment           |      | (70)   | -  |
| Interest expense  |      | 194  | -  |
| Interest income   |      | (4)  | -  |
| Unrealised loss on foreign exchange                         |      | 1,032  | -  |
| Written off on property, plant and equipment                |      | 70   | -  |
| Operating profit before working capital changes             |      | 1,976  | -  |
| Changes in working capital:-                                |      |  |  |
| Inventories   |      | (109)  | -  |
| Receivables   |      | (8,213)  | -  |
| Payables  |      | (33,991)                                       | -  |
| Contract liability  |      | (4,040)  | -  |
| Cash flows used in operations                               |      | (44,377)                                       | -  |
| Tax paid  |      | (1,698)  | -  |
| <b>NET CASH USED IN OPERATING ACTIVITIES</b>                |      | <b>(46,075)</b>                                | <b>-</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |      |  |  |
| Interest received   |      | 4  | -  |
| Placement of fixed deposits                                 |      | (2)  | -  |
| Purchase of property, plant and equipment                   |      | (2,310)  | -  |
| Proceeds from disposal of property, plant and equipment     |      | 180  | -  |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                |      | <b>(2,128)</b>                                 | <b>-</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |      |  |  |
| Proceeds from issuance of ordinary shares                   |      | 51,080   | -  |
| Interest paid   |      | (194)  | -  |
| Repayment of term loans                                     |      | (203)  | -  |
| Repayment of hire purchase payables                         |      | (279)  | -  |
| Payment for lease liabilities                               |      | (301)  | -  |
| <b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>         |      | <b>50,103</b>                                  | <b>-</b>   |
| <b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>             |      | <b>1,900</b>                                   | <b>-</b>   |
| <b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>              |      | <b>(252)</b>                                   | <b>-</b>   |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b> | 23   | 199  | -  |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>       | 23   | <b>1,847</b>                                   | <b>-</b>   |

## Notes:

- i. No comparative figures were disclosed as the Group changed its financial year end from 31 December to 30 June during the preceding 18 months' period ended 30 June 2023.
- ii. The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the period ended 30 June 2023 and the accompanying explanatory notes attached to the Quarterly Report.

**ARTRONIQ BERHAD**

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

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023**

---

**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 (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial period ended 30 June 2023. 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 period ended 30 June 2023.

**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 period ended 30 June 2023 except for the adoption of the following Amendments to MFRSs during the current financial period:

| <b>MFRSs, Amendments to MFRSs and/or IC Interpretations</b>  | <b>Effective Date</b> |
|--|-----------------------|
| Amendments to MFRS 101: Disclosure of Accounting Policies  | 1 January 2023        |
| Amendments to MFRS 108: Definition of Accounting Estimates   | 1 January 2023        |
| Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform – Pillar Two Model Rules | 1 January 2023        |

The initial application of the above Amendments to MFRSs and IC Int does not have any significant financial impact to the current period and prior period financial statement.

As at the date of this announcement, the following MFRSs, amendments to MFRSs and IC Interpretations were issued but yet effective and have not been applied by the Group:

| <b>MFRSs, Amendments to MFRSs and/or IC Interpretations</b>  | <b>Effective Date</b> |
|--|-----------------------|
| Amendments to MFRS 16: Lease Liability in a Sale and Leaseback   | 1 January 2024        |
| Amendments to MFRS 101: Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current | 1 January 2024        |
| Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements   | 1 January 2024        |
| MFRS 121: The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability                                       | 1 January 2025        |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture  | Deferred              |

**3. Auditors' Report of Preceding Annual Financial Statements**

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

**ARTRONIQ BERHAD**

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

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023**

---

**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.

**8. Dividend Paid**

There was no dividend paid during the current financial quarter.

*[The rest of this page has been intentionally left blank]*

**ARTRONIQ BERHAD**

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

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023****9. Segmental Information**

| 6 Months Ended 31 December 2023 | <u>Continuing operations</u> |  |                       |                       |                                  | <u>Discontinued operations</u> |  |  |                                  |              |
|---------------------------------|------------------------------|--|-----------------------|-----------------------|----------------------------------|--------------------------------|--|--|----------------------------------|--------------|
|                                 | Investment Holding RM'000    | ICT Products and Related Services RM'000 | Loan Financing RM'000 | Semi Conductor RM'000 | Inter-company elimination RM'000 | Total RM'000                   | Resin compound for wire and cable RM'000 | Resin compound for other industries RM'000 | Inter-company elimination RM'000 | Total RM'000 |
| External revenue                | -                            | 26,456                                   | 1,111                 | 3,846                 | -                                | 31,413                         | -  | -  | -                                | -            |
| Inter-segment revenue           | 180                          | 332                                      | -                     | -                     | (512)                            | -                              | -  | -  | -                                | -            |
| <b>Total revenue</b>            | <b>180</b>                   | <b>26,788</b>                            | <b>1,111</b>          | <b>3,846</b>          | <b>(512)</b>                     | <b>31,413</b>                  | <b>-</b>                                 | <b>-</b>                                   | <b>-</b>                         | <b>-</b>     |
| Segment result                  | (2,404)                      | 1,654                                    | 485                   | 352                   | (93)                             | (6)                            | (14)                                     | 25   | 25                               | 36           |
| Finance cost                    | -                            | (75)                                     | (4)                   | (115)                 | -                                | (194)                          | -  | (35)                                       | 35                               | -            |
| <b>(Loss)/Profit before tax</b> | <b>(2,404)</b>               | <b>1,579</b>                             | <b>481</b>            | <b>237</b>            | <b>(93)</b>                      | <b>(200)</b>                   | <b>(14)</b>                              | <b>(10)</b>                                | <b>60</b>                        | <b>36</b>    |
| Segment assets                  | 96,350                       | 65,278                                   | 32,775                | 8,193                 | (97,122)                         | 105,474                        | 10,762                                   | 7,017                                      | (17,709)                         | 70           |
| Segment liabilities             | 15,418                       | 61,033                                   | 29,612                | 3,515                 | (95,584)                         | 13,994                         | 8  | 4,162                                      | (4,155)                          | 15           |



**ARTRONIQ BERHAD**

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

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023****9. Segmental Information (Cont'd)**

| 6 Months Ended 31 December 2022 | <u>Continuing operations</u> |                        |                                      |                 | <u>Discontinued operations</u>              |   |                                      |                 |
|---------------------------------|------------------------------|------------------------|--------------------------------------|-----------------|---|---|--------------------------------------|-----------------|
|                                 | Investment Holding<br>RM'000 | ICT products<br>RM'000 | Inter- company elimination<br>RM'000 | Total<br>RM'000 | Resin compound for wire and cable<br>RM'000 | Resin compound for other industries<br>RM'000 | Inter- company elimination<br>RM'000 | Total<br>RM'000 |
| External revenue                | -                            | -                      | -                                    | -               | -   | -   | -                                    | -               |
| Inter-segment revenue           | -                            | -                      | -                                    | -               | -   | -   | -                                    | -               |
| Total revenue                   | -                            | -                      | -                                    | -               | -   | -   | -                                    | -               |
| Segment result                  | -                            | -                      | -                                    | -               | -   | -   | -                                    | -               |
| Finance cost                    | -                            | -                      | -                                    | -               | -   | -   | -                                    | -               |
| Profit before tax               | -                            | -                      | -                                    | -               | -   | -   | -                                    | -               |
| Segment assets                  | -                            | -                      | -                                    | -               | -   | -   | -                                    | -               |
| Segment liabilities             | -                            | -                      | -                                    | -               | -   | -   | -                                    | -               |

**Geographical reporting:**

|                              | Quarter Ended        |                      |              | Year Ended           |                      |              |
|------------------------------|----------------------|----------------------|--------------|----------------------|----------------------|--------------|
|                              | 31/12/2023<br>RM'000 | 31/12/2022<br>RM'000 | Changes<br>% | 31/12/2023<br>RM'000 | 31/12/2022<br>RM'000 | Changes<br>% |
| <u>Continuing operations</u> |                      |                      |              |                      |                      |              |
| Malaysia                     | 6,392                | -                    | -            | 18,846               | -                    | -            |
| Asia                         | 8,730                | -                    | -            | 12,302               | -                    | -            |
| America                      | 248                  | -                    | -            | 265                  | -                    | -            |
|                              | 15,370               | -                    | -            | 31,413               | -                    | -            |

**ARTRONIQ BERHAD**

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

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023**

---

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

As of this announcement, the total issued ordinary share capital of the Company was increased from RM109,667,310 comprising 407,865,204 ordinary shares to RM109,722,870 comprising 407,957,804 ordinary shares by way of conversion of warrants as follows:

| <u>Conversion date</u> | <u>No. of warrants conversion</u> | <u>Amount (RM)</u> |
|------------------------|-----------------------------------|--------------------|
| 27 November 2023       | 92,600                            | 55,560             |

Other than the above, save for those disclosed in Note 24 and Note 26, there were no events materially affecting the results of the Group for the financial period-to-date, which might have occurred between 31 December 2023 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.

**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. Significant Related Party Transaction**

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.

The Directors of the Company are of the opinion that there are no related party transactions which would have a material impact on the financial position and the business of the Group during the current financial quarter and financial period-to-date.

*[The rest of this page has been intentionally left blank]*

**ARTRONIQ BERHAD**

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

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023****ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS FOR THE ACE MARKET OF THE BURSA MALAYSIA SECURITIES BERHAD****15. Review of Group Performance****Current Financial Quarter****Continuing operations**

The Group recorded a revenue of RM15.370 million for the current year quarter ended 31 December 2023 (“Q2 2024”). The Group incurred a loss before tax of RM0.189 million for Q2 2024.

**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. The Group generated a profit before tax of RM0.055 million for Q2 2024.

**16. Comparison with Previous Quarter's Results**

| <b><u>Continuing operations</u></b> | <b>Current Quarter</b> | <b>Revenue</b>    |                          | <b>Changes</b> | <b>Loss before tax</b> |                          |                  |
|-------------------------------------|------------------------|-------------------|--------------------------|----------------|------------------------|--------------------------|------------------|
|                                     |                        | <b>31/12/2023</b> | <b>Preceding Quarter</b> |                | <b>31/12/2023</b>      | <b>Preceding Quarter</b> | <b>Changes</b>   |
| <b>Segment</b>                      | <b>RM'000</b>          | <b>30/9/2023</b>  | <b>RM'000</b>            | <b>%</b>       | <b>RM'000</b>          | <b>RM'000</b>            | <b>%</b>         |
| Investment holding                  | -                      | -                 | -                        | -              | (1,529)                | (965)                    | 58.45%           |
| ICT products and related services   | 12,864                 | 13,592            |                          | -5.36%         | 545                    | 1,034                    | -47.29%          |
| Loan financing                      | 864                    | 247               |                          | 249.80%        | 802                    | (324)                    | -347.53%         |
| Semi conductor                      | 1,642                  | 2,204             |                          | -25.50%        | (7)                    | 244                      | -102.87%         |
| <b>Total</b>                        | <b>15,370</b>          | <b>16,043</b>     |                          | <b>-4.19%</b>  | <b>(189)</b>           | <b>(11)</b>              | <b>1,618.18%</b> |

| <b><u>Discontinued operations</u></b> | <b>Current Quarter</b> | <b>Revenue</b>    |                          | <b>Changes</b> | <b>Profit/(Loss) before tax</b> |                          |                 |
|---------------------------------------|------------------------|-------------------|--------------------------|----------------|---------------------------------|--------------------------|-----------------|
|                                       |                        | <b>31/12/2023</b> | <b>Preceding Quarter</b> |                | <b>31/12/2023</b>               | <b>Preceding Quarter</b> | <b>Changes</b>  |
| <b>Segment</b>                        | <b>RM'000</b>          | <b>30/9/2023</b>  | <b>RM'000</b>            | <b>%</b>       | <b>RM'000</b>                   | <b>RM'000</b>            | <b>%</b>        |
| Resin compound for wire and cable     | -                      | -                 | -                        | -              | (6)                             | (13)                     | -53.85%         |
| Resin compound for other industries   | -                      | -                 | -                        | -              | 61                              | (6)                      | -1,116.67%      |
| <b>Total</b>                          | <b>-</b>               | <b>-</b>          | <b>-</b>                 | <b>-</b>       | <b>55</b>                       | <b>(19)</b>              | <b>-389.47%</b> |

**Continuing operations**

For Q2 2024, the Group achieved revenue of RM15.370 million, representing a slight decrease of approximately 4.19% as compared to the previous quarter ended 30 September 2023 (“Q1 2024”) of RM16.043 million. The revenue of ICT products and related services segment reflects the stage of completion for a project during the quarter under review. The decrease in revenue is mainly due to the progress of the project has been slower down in Q2 2024 as compared to Q1 2024.

**ARTRONIQ BERHAD**

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

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023**

---

**16. Comparison with Previous Quarter's Results (Cont'd)**

**Continuing operations (cont'd)**

The Group incurred a loss before tax of RM0.189 million in Q2 2024 as compared to a loss before tax of RM0.011 million in Q1 2024. The significant increase is mainly due to the changes in the foreign currency exchange rate which resulted in a loss of forex in the ICT product and related services segment in Q2 2024.

**17. Prospects**

The management will continue to focus on its core business in ICT products and related services segment and endeavor to secure more opportunities in Malaysia which are able to contribute positively to the future earnings of the Group. In addition, the Board will also continue to review and monitor the performance in semi conductor segment with available resources in order to enhance the revenue growth. Notwithstanding the aforementioned, the management will be more prudent in the management of its assets and focus on its core competencies in order to deliver sustainable future growth to stakeholders.

**18. Variance of Profit Forecast**

The Group has not announced or disclosed any profit forecast in a public document that relates to this reporting period.

*[The rest of this page has been intentionally left blank]*

**ARTRONIQ BERHAD**

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

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023****19. Loss Before Tax**

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

|   | <b>Quarter Ended</b> |                   | <b>6 Months Ended</b> |                   |
|---|----------------------|-------------------|-----------------------|-------------------|
|   | <b>31/12/2023</b>    | <b>31/12/2022</b> | <b>31/12/2023</b>     | <b>31/12/2022</b> |
|   | <b>RM'000</b>        | <b>RM'000</b>     | <b>RM'000</b>         | <b>RM'000</b>     |
| Depreciation of property, plant and equipment     | 299                  | -                 | 596                   | -                 |
| Depreciation of right of use asset                | 222                  | -                 | 328                   | -                 |
| Gain on disposal of property, plant and equipment | -                    | -                 | (70)                  | -                 |
| Interest expense                                  | 107                  | -                 | 194                   | -                 |
| Interest income                                   | (1)                  | -                 | (4)                   | -                 |
| Realised gain on foreign exchange                 | (1,197)              | -                 | (1,342)               | -                 |
| Unrealised loss on foreign exchange               | 1,178                | -                 | 1,032                 | -                 |
| Written off on property, plant and equipment      | 70                   | -                 | 70                    | -                 |

**20. Tax Expenses**

The tax expenses for the current quarter and period ended are as follows:

|                         | <b>Quarter Ended</b> |                   | <b>6 Months Ended</b> |                   |
|-------------------------|----------------------|-------------------|-----------------------|-------------------|
|                         | <b>31/12/2023</b>    | <b>31/12/2022</b> | <b>31/12/2023</b>     | <b>31/12/2022</b> |
|                         | <b>RM'000</b>        | <b>RM'000</b>     | <b>RM'000</b>         | <b>RM'000</b>     |
| <b>Income tax</b>       |                      |                   |                       |                   |
| <b>Current year</b>     |                      |                   |                       |                   |
| - continuing operations | 1,062                | -                 | 1,867                 | -                 |
|                         | <u>1,062</u>         | <u>-</u>          | <u>1,867</u>          | <u>-</u>          |

*[The rest of this page has been intentionally left blank]*

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023**

---

**21. 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<br>31/12/2023<br>RM'000 | As At<br>30/6/2023<br>RM'000 |
|------------------------------------|-------------------------------|------------------------------|
| <b>Financial Assets</b>            |                               |                              |
| <i>At amortised cost</i>           |                               |                              |
| Trade receivables                  | 54,989                        | 50,198                       |
| Other receivables and deposits     | 18,829                        | 16,873                       |
| Short-term investment              | -                             | 56                           |
| Fixed deposits with licensed banks | 750                           | 748                          |
| Cash and bank balances             | 3,250                         | 1,144                        |
| <b>Total financial assets</b>      | <u>77,818</u>                 | <u>69,019</u>                |
| <b>Financial Liabilities</b>       |                               |                              |
| <i>At amortised cost</i>           |                               |                              |
| Trade payables                     | 4,935                         | 36,828                       |
| Other payables and accruals        | 961                           | 3,840                        |
| Contract liability                 | 220                           | 4,260                        |
| Loans and borrowings               | 3,393                         | 3,473                        |
| Lease liabilities                  | 2,679                         | 2,333                        |
| <b>Total financial liabilities</b> | <u>12,188</u>                 | <u>50,734</u>                |

**22. Fair Value Information**

At the end of the reporting period, 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.

*[The rest of this page has been intentionally left blank]*

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023**

---

**23. Cash and Cash Equivalents**

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

|   | <b>As At<br/>31/12/2023<br/>RM'000</b> | <b>As At<br/>30/6/2023<br/>RM'000</b> |
|---|--|---------------------------------------|
| <b>Fixed deposits with licensed banks</b>             |  |                                       |
| - continuing operations                               | 750                                    | 748                                   |
| <b>Cash and bank balances</b>                         |  |                                       |
| - continuing operations                               | 3,183                                  | 1,073                                 |
| - discontinued operations                             | 67                                     | 71                                    |
| <b>Short-term investment</b>                          |  |                                       |
| - continuing operations                               | -                                      | 56                                    |
| <b>Bank overdrafts</b>                                |  |                                       |
| - continuing operations                               | (1,403)                                | (1,001)                               |
|   | <u>2,597</u>                           | <u>947</u>                            |
| <b>Less: Fixed deposits pledged to licensed banks</b> |  |                                       |
| - continuing operations                               | (750)                                  | (748)                                 |
|   | <u>1,847</u>                           | <u>199</u>                            |

Fixed deposits of the Group totalling RM0.750 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.

**24. Status of Corporate Proposals Announced**

**(i) Proposed Private Placement**

On 13 February 2023, the Company submitted its application to Bursa Securities for Proposed Private Placement of up to 20% of total number of issued shares. Bursa Securities has vided its letter dated 18 April 2023 to approve listing of up to 65,659,400 new Shares to be issued pursuant to the Proposed Private Placement.

The Placement has been completed on 6 July 2023 following the listing of 65,659,400 Placement Shares on the ACE Market of Bursa Securities on even date.

*[The rest of this page has been intentionally left blank]*

**ARTRONIQ BERHAD**

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

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023****24. Status of Corporate Proposals Announced (Cont'd)****(i) Proposed Private Placement (cont'd)**

The status of the utilisation of the proceeds raised from the Private Placement of 65,659,400 Shares at an issue price of RM0.65 per share amounting to RM42,678,610 is as follows:

| <b>Details of utilisation</b>                                     | <b>Utilisation timeframe</b> | <b>Actual proceeds raised<br/>RM'000</b> | <b>Amount utilisation<br/>RM'000</b> | <b>Balance to be utilised<br/>RM'000</b> |
|---|------------------------------|--|--------------------------------------|--|
| E-Bikes Business  | Within 24 months             | 14,012                                   | (5,615)                              | 8,397                                    |
| General working capital   |                              |  |                                      |  |
| - Research and development of blockchain-based financial services | Within 24 months             | 28,117                                   | (28,117)                             | -  |
| - Purchase of inventories for its ICT Business                    |                              |  |                                      |  |
| - Repayment of trade payables                                     | Within 24 months             | 550                                      | (243)                                | 307                                      |
| Estimated expenses for the Proposals                              |                              |  |                                      |  |
|   | <b>Total</b>                 | <b>42,679</b>                            | <b>(33,975)</b>                      | <b>8,704</b>                             |

**(ii) Proposed Establishment of an Employees' Share Option Scheme ("ESOS")**

The Company had on 2 June 2022 proposed to undertake the establishment of an ESOS involving 30% of the Company's total number of issued shares (excluding treasury shares, if any) at any point of time during the duration of the ESOS for eligible directors and employees of the Group (excluding dormant subsidiaries).

As at 31 December 2023, the Company has yet to allot any ESOS options or shares to any directors or employees.

**(iii) Proposed Disposal of MHT Manufacturing Sdn. Bhd. and Plascable Polymer Sdn. Bhd.**

The Company had on 5 July 2022 entered into a conditional sale and purchase agreement with Plastrade Materials Technology Sdn. Bhd. ("PMSB") to proposed disposal of a freehold land held by MHT Manufacturing Sdn. Bhd. ("MHT") under H.S.(D) 177841, PTD 52064, Mukim of Tebrau, District of Johor Bahru, State of Johor Darul Ta'zim together with all the fixed assets, buildings and structures thereon refer to ("Property 1") for a cash consideration of RM3.25 million.

The same agreement with PMSB proposed disposal of unexpired term of the lease granted over all the parcel of land held by Plascable Polymer Sdn. Bhd. ("PCP") under GRN 459974, Lot 44892, Mukim of Tebrau, District of Johor Bahru, State of Johor Darul Ta'zim together with all the fixed assets, buildings and structures hereby refer to ("Property 2") for a cash consideration of RM2.25 million.

The following Plascable Polymer Sdn. Bhd. ("PCP") receipt of the supplemental letter regarding SPA 2 on 7 November 2022 hence forth all conditions precedent for the SPA 2 have been fulfilled accordingly and has become unconditional on 2 December 2022. Following the payment of the Balance Disposal Consideration for SPA 2 to PCP by the Purchaser on 24 February 2023, the proposed disposal of Property 2 has been completed.



**ARTRONIQ BERHAD**

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

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023**

---

**24. Status of Corporate Proposals Announced (Cont'd)**

**(iii) Proposed Disposal of MHT Manufacturing Sdn. Bhd. and Plascable Polymer Sdn. Bhd. (cont'd)**

The proposed disposal of MHT and the Purchaser had on 30 December 2022 mutually agreed to extend the Conditional Period for the SPA 1 to 30 April 2023 to fulfill the conditional precedent for the SPA 1. On 28 April 2023, all conditions precedent for SPA 1 have been fulfilled and accordingly, SPA 1 has become unconditional. Following the payment of the Balance Disposal Consideration for SPA 1 to MHT by the Purchaser on 7 July 2023, the proposed disposal of Property 1 has been completed.

**(iv) Bonus Issue of Warrants**

The Company had proposed to undertake a bonus issue of warrants on a basis of one (1) Warrant for every two (2) ordinary shares in the Company held by the entitled shareholders on 14 July 2023. The listing application in respect of the Proposed Bonus Issue of Warrants has been submitted to Bursa Securities on 13 February 2023 and Bursa Securities has approved listing up to 196,978,202 new Shares to be issued pursuant to the exercise of the Warrants.

The Proposed Bonus Issue of Warrants has been completed on 26 July 2023 following the listing of 196,978,200 Warrants on the ACE Market of Bursa Securities on even date.

**(v) Proposed Share Buy-Back Authority**

On 31 October 2023, the Board of Directors announced that the Company intends to seek the approval of its shareholders, to purchase up to 10% of the issued share capital ("Proposed Share Buy-Back Authority") pursuant to Section 127 of the Companies Act, 2016 at forthcoming 21<sup>th</sup> Annual General Meeting.

The Proposed Share Buy-Back Authority has been duly passed by its shareholders at the 21<sup>th</sup> Annual General Meeting held on 13 December 2023.

*[The rest of this page has been intentionally left blank]*

**ARTRONIQ BERHAD**

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

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023****25. Group's Borrowings and Debt Securities**

The Group's loans and borrowings as at the end of the reporting period are as follows:

|                                   | <b>As at<br/>31/12/2023<br/>RM'000</b> | <b>As at<br/>30/6/2023<br/>RM'000</b> |
|-----------------------------------|--|---------------------------------------|
| <b>Non-current</b>                |  |                                       |
| <i>Secured</i>                    |  |                                       |
| Hire purchase payables            | 702                                    | 914                                   |
| Term loan                         | 579                                    | 661                                   |
|                                   | <u>1,281</u>                           | <u>1,575</u>                          |
| <b>Current</b>                    |  |                                       |
| <i>Secured</i>                    |  |                                       |
| Bank overdrafts                   | 1,403                                  | 1,001                                 |
| Hire purchase payables            | 487                                    | 554                                   |
| Term loan                         | 222                                    | 343                                   |
|                                   | <u>2,112</u>                           | <u>1,898</u>                          |
| <b>Total loans and borrowings</b> |  |                                       |
| Bank overdrafts                   | 1,403                                  | 1,001                                 |
| Hire purchase payables            | 1,189                                  | 1,468                                 |
| Term loan                         | 801                                    | 1,004                                 |
|                                   | <u>3,393</u>                           | <u>3,473</u>                          |

The loans and borrowings are all denominated in Ringgit Malaysia.

**26. Material Litigation**

The Group does not have any outstanding material litigation as at the date of this announcement.

*[The rest of this page has been intentionally left blank]*

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023**

---

**27. Loss Per Share**

|   | Quarter Ended  |            | 6 Months Ended |            |
|---|----------------|------------|----------------|------------|
|   | 31/12/2023     | 31/12/2022 | 31/12/2023     | 31/12/2022 |
| <b>Loss after tax</b>   |                |            |                |            |
| Net loss attributable to equity holders of the Company (RM'000) |                |            |                |            |
| - continuing operations   | (1,222)        | -          | (2,135)        | -          |
| - discontinued operations                                       | 55             | -          | 36             | -          |
|   | <u>(1,167)</u> | <u>-</u>   | <u>(2,099)</u> | <u>-</u>   |
| <b>Basic</b>  |                |            |                |            |
| Weighted average number of the ordinary shares in issue ('000)  | <u>363,158</u> | <u>-</u>   | <u>363,158</u> | <u>-</u>   |
| <b>Basic loss per ordinary share (sen)</b>                      |                |            |                |            |
| - continuing operations   | (0.34)         | -          | (0.59)         | -          |
| - discontinued operations                                       | 0.02           | -          | 0.01           | -          |
|   | <u>(0.32)</u>  | <u>-</u>   | <u>(0.58)</u>  | <u>-</u>   |
| <b>Diluted</b>  |                |            |                |            |
| Weighted average number of the ordinary shares in issue ('000)  | <u>546,134</u> | <u>-</u>   | <u>546,134</u> | <u>-</u>   |
| <b>Diluted loss per ordinary share (sen)</b>                    |                |            |                |            |
| - continuing operations   | (0.22)         | -          | (0.39)         | -          |
| - discontinued operations                                       | 0.01           | -          | 0.01           | -          |
|   | <u>(0.21)</u>  | <u>-</u>   | <u>(0.38)</u>  | <u>-</u>   |

**28. Proposed Dividend**

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

**29. 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 26 February 2024.

BY ORDER OF THE BOARD OF  
ARTRONIQ BERHAD