



# **ARK RESOURCES HOLDINGS BERHAD**

(Registration No.: 201701027024 (1241190-V))  
(Incorporated in Malaysia)

Interim Financial Report  
For The Third Quarter Ended 31 December 2021 (Unaudited)

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For The Third Quarter Ended 31 December 2021**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(Unaudited) 31.12.21 RM'000	(Audited) 31.03.21 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
ROU, property, plant and equipment	323	344
Inventories	2,441	2,441
	<u>2,764</u>	<u>2,785</u>
<b>Current assets</b>		
Inventories	12,486	12,008
Trade receivables	597	304
Other receivables	1,305	1,547
Cash and cash equivalents	2,167	547
	<u>16,555</u>	<u>14,406</u>
<b>TOTAL ASSETS</b>	<u>19,319</u>	<u>17,191</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners</b>		
Share capital	22,142	19,484
Merger reserve	31,307	31,307
Accumulated losses	(39,110)	(37,720)
<b>TOTAL EQUITY</b>	<u>14,339</u>	<u>13,071</u>
<b>Current liabilities</b>		
Trade payables	1,495	1,032
Other payables	3,485	3,088
	<u>4,980</u>	<u>4,120</u>
<b>TOTAL LIABILITIES</b>	<u>4,980</u>	<u>4,120</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>19,319</u>	<u>17,191</u>
<b>Net assets per share (RM)</b>	<u>0.21</u>	<u>0.21</u>

*Note:*

*The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.*

**Unaudited Interim Financial Report  
For The Third Quarter Ended 31 December 2021**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current year	Preceding year	Current year	Preceding year
	Oct-Dec'21	Oct-Dec'20	Apr-Dec'21	Apr-Dec'20
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	76	269	842	948
Cost of sales	(74)	(257)	(797)	(904)
<b>Gross profit /(loss)</b>	<u>2</u>	<u>12</u>	<u>45</u>	<u>44</u>
Other income	3	3	78	5
Administration and operating expenses	(457)	(313)	(1,168)	(1,009)
<b>Loss from operations</b>	<u>(452)</u>	<u>(298)</u>	<u>(1,045)</u>	<u>(960)</u>
Finance costs	-	-	-	-
<b>Loss before tax</b>	<u>(452)</u>	<u>(298)</u>	<u>(1,045)</u>	<u>(960)</u>
Taxation	(345)	-	(345)	-
<b>Loss after tax</b>	<u>(797)</u>	<u>(298)</u>	<u>(1,390)</u>	<u>(960)</u>
Non-controlling interests	-	-	-	-
<b>Loss for the period</b>	<u>(797)</u>	<u>(298)</u>	<u>(1,390)</u>	<u>(960)</u>
<b>Other comprehensive income / (loss)</b>	-	-	-	-
<b>Total comprehensive loss for the period</b>	<u>(797)</u>	<u>(298)</u>	<u>(1,390)</u>	<u>(960)</u>
<b>Loss for the period attributable to:</b>				
Owners of the parent	(797)	(298)	(1,390)	(960)
Non-controlling interests	-	-	-	-
	<u>(797)</u>	<u>(298)</u>	<u>(1,390)</u>	<u>(960)</u>
<b>Total comprehensive loss for the period attributable to:</b>				
Owners of the parent	(797)	(298)	(1,390)	(960)
Non-controlling interests	-	-	-	-
	<u>(797)</u>	<u>(298)</u>	<u>(1,390)</u>	<u>(960)</u>
<b>Loss per share attributable to Owners of the parent:</b>				
- Basic (sen)	(1.15)	(0.47)	(2.00)	(1.52)
- Diluted (sen)	N/A	N/A	N/A	N/A

**Note:**  
The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Cumulative Quarter	
	Current year Dec'21 RM'000	Preceding year Dec'20 RM'000
<b>Cash flows from operating activities</b>		
Loss before tax	(1,045)	(960)
Adjustments for:		
Depreciation charge	21	29
Interest income	(3)	(5)
Operating loss before working capital changes	(1,027)	(936)
Increase in inventories	(478)	(203)
Decrease in contract assets	-	-
Decrease / (Increase) in trade and other receivables	(51)	216
Increase / (Decrease) in trade and other payables	860	213
Cash generated from / (used in) operations	(696)	(710)
Interest received	3	5
Tax paid / (recovered)	(345)	-
<b>Net cash generated from / (used in) operating activities</b>	<b>(1,038)</b>	<b>(705)</b>
<b>Cash flows from financing activity</b>		
Proceeds from private placement, representing net cash generated from financing activity	2,658	-
<b>Cash flows from investing activity</b>		
Purchase of property, plant and equipment, representing net cash used in investing activity	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,620</b>	<b>(705)</b>
<b>Cash and cash equivalents as at 1 April</b>	<b>547</b>	<b>1,498</b>
<b>Cash and cash equivalents as at 30 September</b>	<b>2,167</b>	<b>793</b>

*Note:*

*The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial report.*

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share capital RM'000	Merger reserve RM'000	Reorganisation reserve RM'000	Accumulated losses RM'000	Total RM'000
<b>Balance as of 1 April 2021</b>	19,484	31,307	-	(37,720)	13,071
Issue of shares pursuant to private placement	2,658	-	-	-	2,658
Total comprehensive loss for the period	-	-	-	(1,390)	(1,390)
<b>Balance as of 31 December 2021</b>	<b>22,142</b>	<b>31,307</b>	<b>-</b>	<b>(39,110)</b>	<b>14,339</b>
<b>Balance as of 1 April 2020</b>	19,484	31,307	-	(36,133)	14,658
Issue of shares pursuant to internal reorganisation	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,587)	(1,587)
<b>Balance as of 31 March 2021</b>	<b>19,484</b>	<b>31,307</b>	<b>-</b>	<b>(37,720)</b>	<b>13,071</b>

**Note:**

*The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Annual Financial Statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial report.*

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

**PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2021.

**A2. Changes in accounting policies**

The accounting policies and methods of computation adopted by the Group in these financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 March 2021:

Amendments to MFRS 16	Covid-19-Related Rent Concessions
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendments to MFRS 16	Covid-19-Related Rent Concessions Beyond 30 June 2021.

The initial application of the above-mentioned amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group.

The Group has not applied the following new MFRSs, new interpretation and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group:

Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to MFRSs	Annual Improvements to MFRS Standards 2018-2020
Amendments to MFRSs 101 and 108	Definition of Material
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRSs 10 and 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group intends to adopt the above MFRSs/interpretation/amendments when they become effective. The initial application of the above-mentioned MFRSs/interpretation/amendments is not expected to have any significant impacts on the financial statements of the Group.

**A3. Auditors' report on preceding annual financial statements**

The auditors' report on the preceding annual financial statements of the Group for the financial year ended 31 March 2021 was not subject to any qualification.

**A4. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter and financial year-to-date.

**A5. Seasonal or cyclical factors**

The business operations of the Group for the current financial quarter and financial year-to-date were not significantly affected by any seasonal or cyclical factors.

**A6. Changes in estimates**

There were no changes in estimates of the amounts reported that have a material effect on the financial results of the Group for the current financial quarter and financial year-to-date.

**A7. Issuance, cancellations, repurchases, resale and repayment of debt and equity securities**

There were no issuances, cancellations, repurchases, resale or repayment of debt and/or equity securities during the financial year-to-date except the following: -

- a) Private Placement of 6,327,500 new ordinary shares of the Company at the issue price of RM0.42 each which was completed on 23 September 2021.

**A8. Dividends paid**

No dividends have been paid during the current financial quarter.

**A9. Revaluation of property, plant and equipment and investment properties**

The property, plant and equipment and investment properties of the Group have not been revalued during the current financial quarter and financial year-to-date.

**A10. Segmental information**

Segmental information is presented in respect of the Group's business segments. The segmental information for the period ended 30 September 2021 is as follows:

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	Property development RM'000	Construction RM'000	Investment holding RM'000	Group RM'000
<b>Segment Revenue</b>				
Total revenue		766	-	766
<b>Segment Results</b>				
Loss from operations	(688)	(140)	(217)	(1,045)
Finance costs	-	-	-	-
Loss before tax	(688)	(140)	(217)	(1,045)
Taxation	(345)	-	-	(345)
Loss after tax	(1,033)	(140)	(217)	(1,390)

**A11. Contingent assets or contingent liabilities**

There were no contingent assets or contingent liabilities as at the end of the current financial quarter.

**A12. Changes in Group composition**

There were no changes in the composition of the Group for the current financial quarter and financial year-to-date.

**A13. Significant events subsequent to the balance sheet date**

There were no significant events subsequent to the end of the current financial quarter that have not been reflected in the financial statements.

**A14. Capital commitments**

There were no material capital commitments as at the end of the current financial quarter.



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**B ADDITIONAL INFORMATION PURSUANT TO APPENDIX 9B OF BURSA MALAYSIA'S LISTING REQUIREMENTS**

**B1. Review of the Group's performance**

**Quarter on Quarter review**

	Individual Quarter			Cumulative Quarter		
	Current year	Preceding year	Changes	Current year	Preceding year	Changes
	Oct-Dec'21	Oct-Dec'20		Apr'21-Dec'21	Apr'20-Sep'20	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	76	269	-72	842	948	-11
Loss from operations	(452)	(298)	52	(1,045)	(960)	9
Loss before interest and tax	(452)	(298)	52	(1,045)	(960)	9
Loss before tax	(452)	(298)	52	(1,045)	(960)	9
Loss after tax	(797)	(298)	167	(1,390)	(960)	45
Loss attributable to ordinary equity holders of the parent	(797)	(298)	167	(1,390)	(960)	45

Performance of the current financial quarter and financial year-to-date

For the current financial quarter, the Group recorded an operating revenue of RM0.076 million as compared to RM0.269 million in the preceding year corresponding period. The revenue for the Group mainly is derived from construction contracts carried out by its subsidiaries, the drop of the earnings was due to the progress slow down cause by safety measures implemented through out 2021. Higher loss before tax was incurred compare to the preceding year corresponding period due to the professional fees incurred in the Group "Private Placement" exercise.

**B2. Comparison of quarterly results with the immediate preceding quarter**

	Current quarter	Immediate preceding quarter	Changes RM'000	Changes %
	Oct-Dec'21	Jul-Sep'21		
	RM'000	RM'000		
Revenue	76	416	-340	-82
Loss from operations	(452)	(324)	128	40
Loss before interest and tax	(452)	(324)	128	40
Loss before tax	(452)	(324)	128	40
Loss after tax	(797)	(324)	473	146
Loss attributable to ordinary equity holders of the parent	(797)	(324)	473	146

Compared to the immediate preceding quarter, the revenue has dropped.

**B3. Prospects**

With the ongoing Covid-19 pandemic, the year 2022 continued to be a challenging period for businesses in the Group in view of uncertainties in the market conditions throughout the year. Although the country was on a slow and steady road to recovery, the board remains cautiously optimistic of this positive effects to our performance.

Against the strengthening backdrop of the country's economy, Ark Group albeit at a slower pace, but with good faith of our shareholders and investors, we were driven to continuously maintain our competitive market in property development to maintain a foothold of the group, barring any unforeseen circumstances, the Directors anticipates that the performance of the Group remain challenging for the financial year ending 31 March 2022.

**B4. Loss per share**

Basic loss per share for the current financial quarter is RM0.012 per share.

Diluted loss per share is not presented as there is no dilutive potential ordinary share outstanding during the period.

**B5. Profit forecast / Profit guarantee**

There was no profit forecast or profit guarantee in respect of the current financial year.

**B6. Taxation**

	Individual Quarter Current year Oct-Dec'21 RM'000	Cumulative Quarter Current year Apr-Dec'21 RM'000
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Under provision of income tax expense in prior year	345	345
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No taxation has been provided for the current financial quarter and financial year-to-date as the Company and its subsidiaries were in a tax loss position.

The taxation incurred as shown above is a settlement amount towards the tax audit carried out by Malaysian Inland Board of Revenue for year of assessment 2014 to 2019.

**B7. Borrowings and debt securities**

The Group has no borrowings and debt securities as at the end of the current financial quarter.

**B8. Unquoted investments / properties**

There were no disposals of any unquoted securities or properties during the current financial quarter.

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**B9. Quoted securities**

There were no purchases or disposals of any quoted securities during the current financial quarter.

**B10. Status of corporate proposals announced**

- (a) As mentioned in Note A7, the private placement of 6,327,500 new ordinary shares of the Company at the issue price of RM0.42 each which was completed on 23 September 2021 and its status of utilization of proceeds is tabulated below: -

**Status of utilisation of proceeds**

Purpose	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Expected timeframe for utilisation	Total % utilised
Acquisition of land	1,754	10	Within 12 months	0.57%
Payment to creditors of the Group	500	176	Within 6 months	35.20%
Infra works for Taman Desa Bukit Bujang (Elevated water tank, suction tank and etc.)	324	324	Within 6 months	100.00%
Estimated expenses for the proposed private placement	80	80	Immediate	100.00%
	2,658	590		22.20%

- (b) The final copy of the bylaws of the ESOS has been submitted to Bursa Malaysia on 25 February 2019. Accordingly, the effective date of implementation of the ESOS shall be 25 February 2019.

**B11. Material litigations**

Ark Resources Berhad has on 24 December 2021 commenced an action against Koperasi Kampung Melayu Balik Pulau Berhad (Registration No. 2218) (“Defendant”) by way of an Originating Summons via its Solicitors, Messrs. CK Lim Law Chambers to claimed for a refund of the earnest deposit paid during the execution of the JVA on 30 Jan 2019. The legal proceedings are not expected to have any business and operational impacts on the ARK Group.

The details of the lawsuit for the above litigations had announced in Bursa website by the Group on 24 December 2021.

**B12. Dividend**

No interim or final dividend has been declared or recommended.

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**B13. Authorisation for issue**

This interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 23<sup>rd</sup> February 2022.

BY ORDER OF THE BOARD

CHEW SIEW CHENG (MAICSA 7019191)  
LIM CHOO TAN (LS 0008888)  
Company Secretaries  
Penang

Date: 23<sup>rd</sup> February 2022