



ARK RESOURCES HOLDINGS BERHAD

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

Interim Financial Report
For The First Quarter Ended 30 June 2023 (Unaudited)

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**Unaudited Interim Financial Report
For The First Quarter Ended 30 June 2023**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | (Unaudited) Jun'23 RM'000 | (Audited) Mar'23 RM'000 |
|--------------------------------------|---------------------------------|-------------------------------|
| ASSETS | | |
| Non-current assets | | |
| ROU, property, plant and equipment | 133 | 135 |
| Inventories | 2,441 | 2,441 |
| | <u>2,574</u> | <u>2,576</u> |
| Current assets | | |
| Inventories | 12,276 | 12,273 |
| Contract assets | 1,188 | 35 |
| Trade receivables | 3,007 | 1,182 |
| Other receivables | 239 | 1,786 |
| Cash and cash equivalents | 767 | 634 |
| | <u>17,477</u> | <u>15,910</u> |
| TOTAL ASSETS | <u>20,051</u> | <u>18,486</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners | | |
| Share capital | 22,142 | 22,142 |
| Merger reserve | 31,307 | 31,307 |
| Accumulated losses | (40,753) | (40,607) |
| TOTAL EQUITY | <u>12,696</u> | <u>12,842</u> |
| Current liabilities | | |
| Trade payables | 3,415 | 1,678 |
| Other payables | 3,940 | 3,966 |
| | <u>7,355</u> | <u>5,644</u> |
| TOTAL LIABILITIES | <u>7,355</u> | <u>5,644</u> |
| TOTAL EQUITY AND LIABILITIES | <u>20,051</u> | <u>18,486</u> |
| Net assets per share (RM) | <u>0.18</u> | <u>0.18</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 2023 and the accompanying explanatory notes attached to this interim financial report.

**Unaudited Interim Financial Report
For The First Quarter Ended 30 June 2023**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Individual Quarter | | Cumulative Quarter | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Current year | Preceding year | Current year | Preceding year |
| | Apr'23-Jun'23 | Apr'22-Jun'22 | Apr'23-Jun'23 | Apr'22-Jun'22 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 1,990 | 126 | 1,990 | 126 |
| Cost of sales | (1,871) | (87) | (1,871) | (87) |
| Gross profit /(loss) | <u>119</u> | <u>39</u> | <u>119</u> | <u>39</u> |
| Other income | - | 2 | - | 2 |
| Administration and operating expenses | (265) | (263) | (265) | (263) |
| Loss from operations | <u>(146)</u> | <u>(222)</u> | <u>(146)</u> | <u>(222)</u> |
| Finance costs | - | - | - | - |
| Loss before tax | <u>(146)</u> | <u>(222)</u> | <u>(146)</u> | <u>(222)</u> |
| Taxation | - | - | - | - |
| Loss after tax | <u>(146)</u> | <u>(222)</u> | <u>(146)</u> | <u>(222)</u> |
| Non-controlling interests | - | - | - | - |
| Loss for the period | <u>(146)</u> | <u>(222)</u> | <u>(146)</u> | <u>(222)</u> |
| Other comprehensive income / (loss) | - | - | - | - |
| Total comprehensive loss for the period | <u><u>(146)</u></u> | <u><u>(222)</u></u> | <u><u>(146)</u></u> | <u><u>(222)</u></u> |
| Loss for the period attributable to: | | | | |
| Owners of the parent | (146) | (222) | (146) | (222) |
| Non-controlling interests | - | - | - | - |
| | <u>(146)</u> | <u>(222)</u> | <u>(146)</u> | <u>(222)</u> |
| Total comprehensive loss for the period attributable to: | | | | |
| Owners of the parent | (146) | (222) | (146) | (222) |
| Non-controlling interests | - | - | - | - |
| | <u>(146)</u> | <u>(222)</u> | <u>(146)</u> | <u>(222)</u> |
| Loss per share attributable to Owners of the parent: | | | | |
| - Basic (sen) | (0.21) | (0.32) | (0.21) | (0.32) |
| - 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 2023 and the accompanying explanatory notes attached to the interim financial report.

Unaudited Interim Financial Report
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Cumulative Quarter | |
|--|----------------------------------|------------------------------------|
| | Current year Jun'23 RM'000 | Preceding year Jun'22 RM'000 |
| Cash flows from operating activities | | |
| Loss before tax | (146) | (222) |
| Adjustments for: | | |
| Depreciation, Impairment, ROU & etc. | 122 | 6 |
| Interest income | - | (2) |
| Operating loss before working capital changes | (24) | (218) |
| Decrease / (Increase) in inventories | (3) | (1,505) |
| Decrease / (Increase) in contract assets | (1,153) | - |
| Decrease / (Increase) in trade and other receivables | (278) | (1,787) |
| Increase / (Decrease) in trade and other payables | 1,711 | 1,566 |
| Cash generated from / (used in) operations | 253 | (1,944) |
| Interest received | - | 2 |
| Tax paid | - | - |
| Net cash generated from / (used in) operating activities | 253 | (1,942) |
| Cash flows from financing activity | | |
| Proceeds from private placement, payment of lease liabilities representing net cash generated from financing activity | - | - |
| Cash flows from investing activity | | |
| Purchase of property, plant and equipment, payment of lease liabilities & etc representing net cash used in investing activity | (120) | - |
| Net increase / (decrease) in cash and cash equivalents | 133 | (1,942) |
| Cash and cash equivalents as at 1 April | 634 | 2,358 |
| Cash and cash equivalents as at 31 March | 767 | 416 |

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 2023 and the accompanying explanatory notes attached to the interim financial report.

**Unaudited Interim Financial Report
For The First Quarter Ended 30 June 2023**

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 |
|---|----------------------------|-----------------------------|-------------------------------------|---------------------------------|-----------------|
| Balance as of 1 April 2023 | 22,142 | 31,307 | - | (40,607) | 12,842 |
| Issue of shares pursuant to private placement | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | - | (146) | (146) |
| Balance as of 30 June 2023 | <u>22,142</u> | <u>31,307</u> | <u>-</u> | <u>(40,753)</u> | <u>12,696</u> |
| Balance as of 1 April 2022 | 22,142 | 31,307 | - | (39,787) | 13,662 |
| Issue of shares pursuant to internal reorganisation | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | - | (820) | (820) |
| Balance as of 31 March 2023 | <u>22,142</u> | <u>31,307</u> | <u>-</u> | <u>(40,607)</u> | <u>12,842</u> |

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 2023 and the accompanying explanatory notes attached to the interim financial report.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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 2023.

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 2023:

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:

| | |
|------------------------|--|
| 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 |

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:

| | | <u>Effective dates for financial periods beginning on or after</u> |
|---|---|--|
| MFRS 17 | Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 17 | Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 101 and MFRS Practice Statement 2 | 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 | 1 January 2023 |
| Amendments to MFRS 17 | Initial Application of MFRS 17 and MFRS 9 - Comparative Information | 1 January 2023 |
| Amendments to MFRS 112 | International Tax Reform - Pillar Two Model Rules | 1 January 2023 |
| Amendments to MFRS 16 | Lease Liability in a Sale and Leaseback | 1 January 2024 |

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| | | |
|------------------------------------|--|--------------------------------|
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-current | 1 January 2024 |
| Amendments to MFRS 101 | Non-current Liabilities with Covenants | 1 January 2024 |
| Amendments to MFRS 107 and MFRS 7 | Supplier Finance Arrangements | 1 January 2024 |
| Amendments to MFRS 10 and MFRS 128 | Sales or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred until further noticed |

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 2023 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.

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 is as follows:

**Unaudited Interim Financial Report
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| | Property development RM'000 | Construction RM'000 | Investment holding RM'000 | Group RM'000 |
|---------------------------------|-----------------------------------|------------------------|---------------------------------|-----------------|
| Segment Revenue | | | | |
| Total revenue | | 1,989 | - | 1,989 |
| Segment Results | | | | |
| Profit/(Loss)from operations | (49) | (113) | 16 | (146) |
| Finance costs | - | - | - | - |
| Profit/(Loss) before tax | (49) | (113) | 16 | (146) |
| Taxation | - | - | - | - |
| Profit/(Loss) after tax | (49) | (113) | 16 | (146) |

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.

**Unaudited Interim Financial Report
For The First Quarter Ended 30 June 2023**

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 |
| | Apr-Jun'23 | Apr-Jun'22 | | Apr'23-Jun'23 | Apr'22-Jun'22 | |
| | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| Revenue | 1,990 | 126 | 1479 | 1,990 | 126 | 1479 |
| Loss from operations | (146) | (222) | 34 | (146) | (222) | 34 |
| Loss before interest and tax | (146) | (222) | 34 | (146) | (222) | 34 |
| Loss before tax | (146) | (222) | 34 | (146) | (222) | 34 |
| Loss after tax | (146) | (222) | 34 | (146) | (222) | 34 |
| Loss attributable to ordinary equity holders of the parent | (146) | (222) | 34 | (146) | (222) | 34 |

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

For the current financial quarter, the Group recorded an operating revenue of RM1.990million as compared to RM0.12million in the preceding year corresponding period. The revenue for the Group mainly is derived from construction contracts carried out by its subsidiaries. Lower loss before tax was incurred compare to the preceding year corresponding period due to the saving in the Group operation cost.

B2. Comparison of quarterly results with the immediate preceding quarter

| | Current quarter | Immediate preceding quarter | Changes | Changes |
|--|-----------------|-----------------------------|---------|---------|
| | Apr-Jun'23 | Jan-Mar'23 | | |
| | RM'000 | RM'000 | | |
| Revenue | 1,990 | 2,257 | (267) | -12 |
| Loss from operations | (146) | (147) | 1 | 1 |
| Loss before interest and tax | (146) | (147) | 1 | 1 |
| Loss before tax | (146) | (147) | 1 | 1 |
| Loss after tax | (146) | (147) | 1 | 1 |
| Loss attributable to ordinary equity holders of the parent | (146) | (147) | 1 | 1 |

Compared to the immediate preceding quarter, the Group revenue has reduced and operation cost has increased.

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) It was announced that the Company proposes to undertake a private placement of up to 20,880,900 new ARK Shares, representing not more than 30% of the issued ordinary shares in ARK on 9 June 2023, the additional listing application to Bursa Securities in relation to the Proposed Private Placement has been submitted on 4 July 2023 and approved on 18 July 2023.
- (b) The final copy of the bylaws of the ESOS has been submitted to Bursa Malaysia on 25 February 2019 and the effective date of implementation of the ESOS shall be 25 February 2019.

B11. Material litigations

There were no material litigations during the current financial quarter.

B12. Dividend

No interim or final dividend has been declared or recommended.

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 22 August 2023.

BY ORDER OF THE BOARD

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

Date: 22 August 2023