



ARK RESOURCES HOLDINGS BERHAD

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

Interim Financial Report
For The First Quarter Ended 30 June 2024 (Unaudited)

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**Unaudited Interim Financial Report
For The First Quarter Ended 30 June 2024**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) Jun'24 RM'000	(Audited) Mar'24 RM'000
ASSETS		
Non-current assets		
ROU, property, plant and equipment	274	283
Inventories	2,441	2,441
	<u>2,715</u>	<u>2,724</u>
Current assets		
Contract assets	6,603	-
Inventories	12,656	12,610
Trade receivables	37,677	30,813
Other receivables	1,763	9,770
Cash and cash equivalents	294	11,796
	<u>58,993</u>	<u>64,989</u>
TOTAL ASSETS	<u>61,708</u>	<u>67,713</u>
EQUITY AND LIABILITIES		
Equity attributable to owners		
Share capital	22,142	22,142
Merger reserve	31,307	31,307
Accumulated profit/(losses)	(36,983)	(38,416)
TOTAL EQUITY	<u>16,466</u>	<u>15,033</u>
Current liabilities		
Contract liabilities	-	14,771
Trade payables	13,290	10,693
Other payables	31,952	27,216
	<u>45,242</u>	<u>52,680</u>
TOTAL LIABILITIES	<u>45,242</u>	<u>52,680</u>
TOTAL EQUITY AND LIABILITIES	<u>61,708</u>	<u>67,713</u>
Net assets per share (RM)	<u>0.24</u>	<u>0.22</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 2024 and the accompanying explanatory notes attached to this interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current year	Preceding year	Current year	Preceding year
	Apr'24-Jun'24	Apr'23-Jun'23	Apr'24-Jun'24	Apr'23-Jun'23
	RM'000	RM'000	RM'000	RM'000
Revenue	45,051	1,990	45,051	1,990
Cost of sales	(43,194)	(1,871)	(43,194)	(1,871)
Gross profit /(loss)	1,857	119	1,857	119
Other income	160	-	160	-
Administration and operating expenses	(584)	(265)	(584)	(265)
Profit/(Loss) from operations	1,433	(146)	1,433	(146)
Finance costs	-	-	-	-
Profit/(Loss) before tax	1,433	(146)	1,433	(146)
Taxation	-	-	-	-
Profit/(Loss) after tax	1,433	(146)	1,433	(146)
Non-controlling interests	-	-	-	-
Profit/(Loss) for the period	1,433	(146)	1,433	(146)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive profit/(loss) for the period	1,433	(146)	1,433	(146)
Profit/(Loss) for the period attributable to:				
Owners of the parent	1,433	(146)	1,433	(146)
Non-controlling interests	-	-	-	-
	1,433	(146)	1,433	(146)
Total comprehensive profit/(loss) for the period attributable to:				
Owners of the parent	1,433	(146)	1,433	(146)
Non-controlling interests	-	-	-	-
	1,433	(146)	1,433	(146)
Profit/(Loss) per share attributable to Owners of the parent:				
- Basic (sen)	2.06	(0.21)	2.06	(0.21)
- 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 2024 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 Jun'24 RM'000	Preceding year Mar'24 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	1,433	2,274
Adjustments for:		
Depreciation, Impairment, ROU & etc.	11	153
Interest income	(3)	(6)
Operating profit/(loss) before working capital changes	1,441	2,421
Decrease / (Increase) in inventories	(46)	(337)
Decrease / (Increase) in contract assets	(21,374)	14,807
Decrease / (Increase) in trade and other receivables	1,143	(37,635)
Increase / (Decrease) in trade and other payables	7,333	32,129
Cash generated from / (used in) operations	(11,503)	11,385
Interest received	3	6
Tax paid	-	(11)
Net cash generated from / (used in) operating activities	(11,500)	11,380
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	(2)	(218)
Net increase / (decrease) in cash and cash equivalents	(11,502)	11,162
Cash and cash equivalents as at 1 April	11,796	634
Cash and cash equivalents as at 31 March	294	11,796

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 2024 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
Balance as of 1 April 2024	22,142	31,307	-	(38,416)	15,033
Issue of shares pursuant to private placement	-	-	-	-	-
Total comprehensive profit/(loss) for the period	-	-	-	1,433	1,433
Balance as of 30 Jun 2024	<u>22,142</u>	<u>31,307</u>	<u>-</u>	<u>(36,983)</u>	<u>16,466</u>
Balance as of 1 April 2023	22,142	31,307	-	(40,607)	12,842
Issue of shares pursuant to internal reorganisation	-	-	-	-	-
Total comprehensive profit/(loss) for the period	-	-	-	2,191	2,191
Balance as of 31 March 2024	<u>22,142</u>	<u>31,307</u>	<u>-</u>	<u>(38,416)</u>	<u>15,033</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 2024 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 2024.

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 2024:

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:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of the new and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company, except for:

Amendments to MFRS 101 and MFRS Practice Statement 2 - Disclosure of Accounting Policies

The Group and the Company have adopted the amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 Materiality Practice Statement for the first time in the current financial year. The amendments change the requirements in MFRS 101 Presentation of Financial Statements with regard to disclosure of accounting policies. The amendments replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

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Amendments to MFRS 101 Presentation of Financial Statements are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments have no effect on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements but affect the disclosure of accounting policies.

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>
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
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 121	Lack of Exchangeability	1 January 2025
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
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 2024 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.

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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:

	Property development RM'000	Construction RM'000	Investment holding RM'000	Group RM'000
Segment Revenue				
Total revenue		45,051	-	45,051
Segment Results				
Profit/(Loss)from operations	(226)	1,674	(15)	1,433
Finance costs	-	-	-	-
Profir/(Loss) before tax	(226)	1,674	(15)	1,433
Taxation	-	-	-	-
Profit/(Loss) after tax	(226)	1,674	(15)	1,433

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
	Apr'24-Jun'24	Apr'23-Jun'23		Apr'24-Jun'24	Apr'23-Jun'23	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	45,051	1,990	2164	45,051	1,990	2164
Profit/(Loss) from operations	1,433	(146)	1082	1,433	(146)	1082
Profit/(Loss) before interest and tax	1,433	(146)	1082	1,433	(146)	1082
Profit/(Loss) before tax	1,433	(146)	1082	1,433	(146)	1082
Profit/(Loss) after tax	1,433	(146)	1082	1,433	(146)	1082
Profit/(Loss) attributable to ordinary equity holders of the parent	1,433	(146)	1082	1,433	(146)	1082

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

For the current financial quarter, the Group recorded an operating revenue of RM45.05million as compared to RM2million in the preceding year corresponding period. The revenue for the Group mainly is derived from construction contracts carried out by its subsidiaries. Total comprehensive profit of RM1.4million is recorded for current financial quarter.

B2. Comparison of quarterly results with the immediate preceding quarter

	Current quarter	Immediate preceding quarter	Changes	Changes
	Apr-Jun'24	Jan-Mar'24		
	RM'000	RM'000		
Revenue	45,051	5,754	39,297	683
Profit/(Loss) from operations	1,433	562	871	155
Profit/(Loss) before interest and tax	1,433	562	871	155
Profit/(Loss) before tax	1,433	562	871	155
Profit/(Loss) after tax	1,433	490	871	155
Profit/(Loss) attributable to ordinary equity holders of the parent	1,433	490	871	155

Compared to the immediate preceding quarter, the Group revenue has increased and profit from operations raised by RM0.87million.

B3. Prospects

Ark Group continues to enhance its business strategies towards optimizing operational and financial performance including strategic timing of products launches, review of products design, cost and cash flow management and strengthening of our brand visibility through innovative marketing plan. The Group will be prudent on new launches, focusing on market-driven products at reasonable price range in order to stay competitive in the market in property development to maintain a foothold of the Group. The Group will continue to explore the opportunities with potential partners with the aim to create value for the Group's development projects and for stakeholders.

The Group is still confident in coping with the challenges, we believe that the appetite for affordable and well located properties will improve with the general economy and thus anticipate this division to continue to contribute positively to the Group in the coming years.

Ark Group will continue to focus on its core competency in construction project located at Seberang Prai Utara, Pulau Pinang, the Group performance expects to be continuously driven by our ability to successfully complete the on-going construction projects. We are constantly on the lookout of new opportunities to secure more constructions projects to enhance our order book.

We are positive on our prospects for the coming year as we look forward to the steady recovery of Malaysia economy despite of the ongoing uncertainties in the global economy and political affairs, our Group remains persistent to take full advantage of this.

B4. Profit per share

Basic profit per share for the current financial quarter is RM0.0315 per share.

Diluted profit 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 Apr-Jun'24 RM'000	Cumulative Quarter Current year Apr'24- Jun'24 RM'000
Under provision of income tax expense in prior year	-	-

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.

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. It was announced that the proposal was duly passed at the EGM of the Company held on 9 August 2023 by way of poll voting. Bursa Securities had approved the extension of time up to 17 July 2024 for the Company to complete the Private Placement, this was announced on 19 December 2023.

The Private Placement was completed on 5 July 2024 for 20,880,900 new ordinary shares of the Company at the issue price of RM0.32 each.

(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 and expired on 24 February 2024.

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 29 May 2024.

BY ORDER OF THE BOARD

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

Date: 30 Aug 2024