

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	(UNAUDITED) 31.03.2020 RM'000	(AUDITED) 31.12.2019 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	18,017	18,435
Right of use assets	8,036	8,071
Investment in associate company	-	-
Other investment	13,000	-
Intangible asset	24,752	24,752
Goodwill on consolidation	45	45
	<u>63,850</u>	<u>51,303</u>
Current Assets		
Trade receivables	24,794	29,736
Other receivables and deposits	18,887	15,338
Amount due from a related company	3,061	3,015
Amount due from an associate company	567	-
Fixed deposits with licenced banks	2,020	2,020
Cash & bank balances	23,330	25,622
	<u>72,659</u>	<u>75,731</u>
TOTAL ASSETS	<u>136,509</u>	<u>127,034</u>
EQUITY AND LIABILITIES		
Share capital	61,064	60,268
Preference shares	7,816	7,855
Capital Reserve	887	887
Retained profits	47,644	40,806
	<u>117,411</u>	<u>109,816</u>
Non controlling interest	10,096	9,615
Total Equity	<u>127,507</u>	<u>119,431</u>
Non - Current Liability		
Lease Liabilities	357	407
Deferred tax liabilities	6,087	6,087
	<u>6,444</u>	<u>6,494</u>
Current Liabilities		
Trade payables	135	193
Other payables & accruals	2,095	573
Amount due to directors	121	125
Lease liabilities	203	199
Tax payable	4	19
	<u>2,558</u>	<u>1,109</u>
Total Liabilities	<u>9,002</u>	<u>7,603</u>
TOTAL EQUITY AND LIABILITIES	<u>136,509</u>	<u>127,034</u>
Net assets per share attributable to equity holders of parent (sen)	<u>40</u>	<u>38</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2019 and the accompanying explanatory notes to the quarterly report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

	(UNAUDITED)		(UNAUDITED)	
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2019 RM'000	CURRENT YEAR TO DATE 31.03.2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2019 RM'000
Revenue	33,354	12,427	33,354	12,427
Cost of sales	(24,932)	(6,483)	(24,932)	(6,483)
Gross profit	8,422	5,944	8,422	5,944
Other operating incomes	170	4	170	4
Selling expenses	-	-	-	-
Administrative expenses	(1,747)	(867)	(1,747)	(867)
Other expenses	-	-	-	-
Profit from operations	6,845	5,081	6,845	5,081
Finance costs	(8)	(5)	(8)	(5)
Share of results of associated company	-	-	-	-
Profit before taxation	6,837	5,076	6,837	5,076
Taxation	(8)	-	(8)	-
Net profit for the financial period, representing total comprehensive profit for the financial period	<u>6,829</u>	<u>5,076</u>	<u>6,829</u>	<u>5,076</u>
Net profit for the financial period attributable to:				
Equity holders of the parent	6,838	5,076	6,838	5,076
Non-controlling interest	(9)	-	(9)	-
Profit after tax	<u>6,829</u>	<u>5,076</u>	<u>6,829</u>	<u>5,076</u>
Earning per share attributable to equity holder of the parent:				
Basic EPS (sen)	<u>2.33</u>	<u>4.56</u>	<u>2.33</u>	<u>4.56</u>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2019 and the accompanying explanatory notes to the quarterly report.



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

	Attributable To Equity Holders Of The Parent Distributable						
	Share Capital	Preference Shares	Capital Reserve	(Accumulated Losses)/ Retained profits	Total	Non- Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	15,748	-	-	7,679	23,427	-	23,427
New ordinary shares issued during the period	8,814	-	-	-	8,814	-	8,814
Irredeemable Convertible Preference Shares	-	9,641	-	-	9,641	-	9,641
	24,562	9,641	-	7,679	41,882	-	41,882
Net profit for the financial period	-	-	-	5,076	5,076	-	5,076
At 31 March 2019	<u>24,562</u>	<u>9,641</u>	<u>-</u>	<u>12,755</u>	<u>46,958</u>	<u>-</u>	<u>46,958</u>
At 1 January 2020	60,268	7,855	887	40,806	109,816	9,615	119,431
Effect of adoption MFRS16	-	-	-	-	-	-	-
New ordinary shares issued during the period	796	-	-	-	796	-	796
Irredeemable Convertible Preference Shares	-	(39)	-	-	(39)	-	(39)
	61,064	7,816	887	40,806	110,573	9,615	120,188
Capital Reserve	-	-	-	-	-	-	-
Net Profit for the financial period	-	-	-	6,838	6,838	(9)	6,829
Acquisition of a subsidiary	-	-	-	-	-	490	490
At 31 March 2020	<u>61,064</u>	<u>7,816</u>	<u>887</u>	<u>47,644</u>	<u>117,411</u>	<u>10,096</u>	<u>127,507</u>

The amount of share capital of the Company as at 31 March 2020 is RM61,064,193 comprising RM45,316,340 ordinary shares subsequent to the ICPS Conversion 226,581,700 new ordinary shares at a price of RM0.20 per Share.

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial quarterly report year ended 31 December 2019 and the accompanying explanatory notes to the quarterly report.



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

	(UNAUDITED) Current Year To Date 31.03.2020 RM'000	(UNAUDITED) Preceding Year Corresponding Period 31.03.2019 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	6,837	5,076
Adjustments:-		
Amortisation of leasehold land	9	9
Depreciation of property, plant and equipment	414	107
Depreciation of right-of-use assets	34	-
Interest income	(169)	(4)
Interest expense	8	5
Share of results of associated company	-	-
Operating profit before working capital changes	7,133	5,193
Changes in working capital:		
Receivables	1,347	(11,021)
Associate company	(567)	-
Payables	1,464	5,353
Cash generated from/ (used in) operations	9,377	(475)
Interest received	169	4
Interest paid	(8)	(5)
Tax paid	(23)	(9)
Net cash generated from/ (used in) operating activities	9,515	(485)
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	(5)	(8,588)
Acquisition of other investment	(13,000)	-
Net cash used in investing activity	(13,005)	(8,588)
CASH FLOW FROM FINANCING ACTIVITIES		
Advance from/ (Repayment to) directors	(4)	(4)
Increase in fixed deposits with the licensed bank	(2,000)	-
Proceed from corporate exercise of ICPS	-	10,082
Issuance of share capital via conversion of ICPS	757	8,373
Issuance of shares by subsidiary	490	-
Payment of lease liabilities	(45)	-
Repayments of hire purchase payables	-	(22)
Net cash generated from financing activities	(802)	18,429
Net (decrease)/ increase in cash & cash equivalents	(4,292)	9,356
Cash & cash equivalents at beginning of the financial period	27,622	2,531
Cash & cash equivalents at end of the financial period	23,330	11,887
<u>Cash & cash equivalents at end of the financial period comprise the followings:</u>		
Fixed deposits with licenced banks	2,020	20
Cash and bank balances	23,330	11,887
	25,350	11,907
Less: Fixed deposit with licensed bank	(2,020)	(20)
	23,330	11,887

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2019 and the accompanying explanatory notes to the quarterly report.

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of the Preparation

The interim financial report is unaudited and has been prepared in compliance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

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

A2. Significant Accounting Policies

The financial statements of the Group have been prepared on the historical cost convention except as disclosed in the notes to the financial statements and in compliance with Malaysian Financial Reporting Standards and the Companies Act, 2016 in Malaysia.

2.1 MFRSs, Amendments to MFRSs and Interpretations adopted

For the preparation of the financial statements, the following accounting standards, amendments and interpretations of the MFRS framework issued by the MASB are mandatory for the first time for the financial year beginning on or after 1 January 2020:

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3 *Business Combinations – Definition of a Business*
- Amendments to MFRS 101 *Presentation of Financial Statements* and MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement* and MFRS 7 *Financial Instruments: Disclosures - Interest Rate Benchmark Reform*

The adoption of the abovementioned accounting standards, amendments and interpretations are not expected to have any significant impact on the financial statements of the Group and the Company.

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
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2.2 New/ Revised MFRSs, Amendments to MFRSs and Interpretations not adopted

MFRSs, Amendments to MFRSs and Interpretations effective a date yet to be confirmed

- Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The directors anticipate that the abovementioned accounting standards, interpretations and amendments will be adopted by the Group and the Company when they become effective.

Amendments to MFRS 4 *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts* and MFRS 17 *Insurance Contracts* have not been taken into consideration because they are not applicable to the Group and the Company.

A3. Auditors’ Report on Preceding Annual Financial Statements

There was no audit qualification in the audited report of the Company and its subsidiary companies preceding annual financial statements for the financial year ended 31 December 2019.

A4. Seasonal or Cyclical Factors

The principal business operations of the Group are not materially affected by seasonal or cyclical factors during the financial year-to-date under review.

A5. Exceptional Items

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the quarter ended 31 March 2020.

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
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A6. Changes in Estimates

There were no material changes in estimates of the amounts reported during the current quarter and financial year-to-date under review.

A7. Changes in Debts and Equity Securities

There were no issuances, share cancellations, share buy-back, share held as treasury share, resale of treasury share and repayments of debts and equity securities.

A8. Dividends Paid

No dividends has been paid during the current quarter and financial year-to-date under review.

ARB BERHAD

(Company No: 199701033435 (448934-M))

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020****A9. Segmental Information**

(i) Segment analysis for the financial year-to-date ended 31 March 2020: -

	Investment Holding RM'000	Manufacturing in Wood Products RM'000	Barging Services RM'000	Information Technology(IT) RM'000	Others RM'000	Total RM'000
Revenue						
- External	-	-	-	33,354	-	33,354
- Inter-segmental sales	-	-	-	-	-	-
Total Revenue	-	-	-	33,354	-	33,354
Results						
Segment profit/(loss)	(128)	(301)	(35)	7,489	(180)	6,845
Interest expense	-	-	-	(8)	-	(8)
Profit/(Loss) before taxation	(128)	(301)	(35)	7,481	(180)	6,837
Taxation	-	-	-	(8)	-	(8)
Net profit/(loss) for the financial period	(128)	(301)	(35)	7,473	(180)	6,829
Additional to non-current assets	-	-	-	5	-	5
Segment assets	874	11,738	9	96,031	90	108,742
Non-cash expense /(Income)						
Amortisation of leasehold land	-	9	-	-	-	9
Depreciation of property, plant and equipment	-	96	-	316	2	414

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
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(ii) Segment analysis for the preceding year corresponding period ended 31 March 2019: -

	Investment Holding RM'000	Manufacturing in Wood Products RM'000	Barging Services RM'000	Information Technology(IT) RM'000	Others RM'000	Total RM'000
Revenue						
- External	-	-	-	12,427	-	12,427
- Inter-segmental sales	-	-	-	-	-	-
Total Revenue	-	-	-	12,427	-	12,427
Results						
Segment (loss)/profit	(167)	(319)	(63)	5,634	(4)	5,081
Interest expense	-	(5)	-	-	-	(5)
(Loss)/profit before taxation	(167)	(324)	(63)	5,634	(4)	5,076
Taxation	-	-	-	-	-	-
Net (loss)/profit for the financial period	(167)	(324)	(63)	5,634	(4)	5,076
Additional to non-current assets	-	-	-	8,588	-	8,588
Segment assets	8,358	15,917	146	28,785	13	53,219
Non-cash expense / (Income)						
Amortisation of leasehold land	-	-	9	-	-	9
Depreciation of property, plant and equipment	-	106	-	1	-	107

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

A10. Revaluation of Property, Plant and Equipment

No valuations of property, plant and equipment were carried out during the current quarter and financial year -to-date under review.

A11. Significant Events

On 3 March 2020, the Group announced that it proposes to seek shareholders' approval in relation to the Proposed Renewal of Authority for the Company to purchase its own ordinary shares ("Proposed Renewal of Share Buy Back Authority") of up to 10% in the entire issued and paid-up share capital of the Company at any given point in time at the forthcoming Annual General Meeting of the Company to be convened.

A12. Subsequent Events

There were no material events subsequent to the end of the current period under review.

A13. Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current financial quarter under review.

A14. Changes in Contingent Liabilities and Assets

There were no material contingent liabilities or assets during the current quarter under review.

A15. Capital Commitments

There were no material capital commitments during the current quarter under review.

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

A16. Significant Related Party Transactions

The significant related party transactions as at year -to- date were summarised as below:-

	Current Quarter 31.03.2020 RM'000	Year To Date 31.03.2020 RM'000
Office rental paid/payable to:- Golden Bond Sdn Bhd	21	21
Office rental paid/payable to:- VNH One Sdn Bhd	30	30

Golden Bond Sdn Bhd and VNH One Sdn Bhd are the companies in which the Directors of the Company have financial interests. These transactions have been entered into in the normal course of business and have been established on commercial terms.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of Performance

The comparison of the quarterly results is tabulated below:

Table 1: Financial review for current quarter and financial year to date

	Individual Period (1 st quarter)		Changes (RM'000/ %)	Cumulative Period		Changes (RM'000/ %)
	Current Year Quarter	Preceding year Corresponding Quarter		Current Year to- date	Preceding Year Corresponding Period	
	31/03/2020 (RM'000)	31/03/2019 (RM'000)		31/03/2020 (RM'000)	31/03/2019 (RM'000)	
Revenue	33,354	12,427	20,927/168	33,354	12,427	20,927/168
Gross profit	8,422	5,944	2,478/42	8,422	5,944	2,478/42
Profit Before Interest and Tax	6,845	5,081	1,764/35	6,845	5,081	1,764/35
Profit Before Tax	6,837	5,076	1,761/35	6,837	5,076	1,761/35

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
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Profit After Tax	6,829	5,076	1,753/35	6,829	5,076	1,753/35
Earning per share Attributable to Equity Holders of the Parent (Sen)	2.33	4.56	(2.23)/(49)	2.33	4.56	(2.23)/(49)

For the current quarter under review, the Group's revenue increase by 168% compare to preceding year corresponding quarter, this was mainly due to the Information Technology (IT) segment has contributed RM33.354 million or 100% of the total revenue, it will continue growing and contribute profit for the Group.

Table 2 : Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 31/03/2020 (RM'000)	Immediate Preceding Quarter 31/12/2019 (RM'000)	Changes (RM'000 / %)
Revenue	33,354	44,996	(11,642)/(26)
Gross profit	8,422	13,912	(5,490)/(39)
Profit before interest and tax	6,845	12,693	(5,848)/(46)
Profit before tax	6,837	12,683	(5,846)/(46)
Profit after tax	6,829	12,529	(5,700)/(45)
Profit per share attributable to equity holders of the parent (sen)	2.33	4.41	(2.08)/(47)

The quarterly major revenue of the Group is contributed by ARB Development Sdn. Bhd., the wholly-owned subsidiary of the Company and ARB Pay Sdn. Bhd., an indirect 51% owned subsidiary of the Company. These two subsidiary companies are principally involved in carrying on the business of reselling customized Enterprise Resource Planning (ERP) software system, Internet of Things, Internet and Multimedia development, and Customer Relationship Management (CRM), and consultancy services.

The IT segment is expected to continue in contributing the major portion of the Sales and Profits to the results of the Group.

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

B2. Group's Prospect

The main contribution of revenue from IT segment, the wholly owned subsidiary ARB Development Sdn Bhd and ARB Pay Sdn Bhd are expected to contribute positive future earnings for the Group.

The timber segment has ceased operation during the quarter under reviewed.

B3 Taxation

Taxation comprises the following: -

	Current Quarter 31.03.2020 RM'000	Year To Date 31.03.2020 RM'000
Current year provision	8	8
(Over)/Under provision in prior year	-	-
	<hr/>	<hr/>
	8	8
Deferred taxation	-	-
	<hr/>	<hr/>
	<u>8</u>	<u>8</u>

Taxation is computed after taking into consideration the available capital allowances and the adjusted business losses carried forward from previous years to set off against taxable profit.

B4. Unquoted Investments and Properties

There was no sale of unquoted investments and / or properties for the current quarter and financial period -to- date under review.

B5. Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter and financial period -to- date under review.

B6. Corporate Proposals

There were no corporate proposals during the period under reviewed.

ARB BERHAD
(Company No: 199701033435 (448934-M))

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

B7. Trade Receivables

	(Unaudited) As at 31.03.2020 RM'000	(Audited) As at 31.12.2019 RM'000
Trade receivables		
- Third parties	24,794	29,736
- Related parties	-	-
	24,794	29,736

The Group's normal trade credit terms range from 180 to 210 days. Amount due from related parties are unsecured, interest free, repayable upon demand and to be settled in cash.

B8. Group Borrowings and Debts Securities

	As at 1st quarter ended 2020					
	Long Term		Short Term		Total borrowings	
	Foreign denomination	RM denomination (RM'000)	Foreign denomination	RM denomination (RM'000)	Foreign denomination	RM denomination (RM'000)
Secured Hire purchase payables	-	-	-	-	-	-
	As at 1st quarter ended 2019					
	Long Term		Short Term		Total borrowings	
	Foreign denomination	RM denomination (RM'000)	Foreign denomination	RM denomination (RM'000)	Foreign denomination	RM denomination (RM'000)
Secured Hire purchase payables	-	-	-	37	-	37

All the above borrowings are denominated in Ringgit Malaysia.

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

B9. Retained profits

	(Unaudited) As at 31.03.2020 RM'000	(Audited) As at 31.12.2019 RM'000
Total retained profit of the Group		
- Realized	12,466	10,154
- Unrealized	-	-
	<hr/>	<hr/>
	12,466	10,154
Add: Consolidated adjustments	35,178	30,652
	<hr/>	<hr/>
Total retained profit as per Statements of Financial Position	47,644	40,806

B10. Off Balance Sheet Financial Instruments

The Group does not have any off balance sheet financial instruments as at the date of this report.

B11. Material Litigation

The Group does not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group which might materially and adversely affect the financial position or business of the Group.

B12 Dividends

No dividend has been recommended by the Board of Directors for the current quarter under review.

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

B13. Earnings per Share

The basic earning per share amounts are calculated by dividing the net profit/(loss) for the period attributable to the ordinary equity holders of the parent by the weighted average number of ordinary share in issue during the financial period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2020 RM'000	Preceding year Corresponding Quarter 31.03.2019 RM'000	Current Year Quarter 31.03.2020 RM'000	Preceding year Corresponding Quarter 31.03.2019 RM'000
Net profit attributable to equity holder of the parent	<u>6,838</u>	<u>5,076</u>	<u>6,838</u>	<u>5,076</u>
Weighted average number of ordinary shares in issue	<u>293,792</u>	<u>111,278</u>	<u>293,792</u>	<u>111,278</u>
Earning per share (sen)	<u>2.33</u>	<u>4.56</u>	<u>2.33</u>	<u>4.56</u>

B14. Notes to the Statement of Comprehensive Income

	Current Quarter 31.03.2020 RM'000	Year To Date 31.03.2020 RM'000
Amortisation of leasehold land	9	9
Depreciation of property, plant and equipment	414	414
Interest expense	<u>8</u>	<u>8</u>

**By Order of the Board,
Datuk Yeo Wang Seng
Managing Director**

20 MAY 2020