

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2021

	(UNAUDITED) 31.03.2021 RM'000	(AUDITED) 31.12.2020 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	39,930	39,440
Right-of-use assets	210	254
Intangible assets	30,752	30,752
Goodwill on consolidation	45	45
Other investments	22,505	10,850
Trade receivables	102,140	64,140
	<u>195,582</u>	<u>145,481</u>
<b>Current Assets</b>		
Inventories	857	-
Trade receivables	40,848	68,230
Other receivables, deposits and deposits	9,559	15,112
Tax recoverable	74	-
Fixed deposits with licenced banks	380	2,000
Cash & bank balances	56,831	24,512
	<u>108,549</u>	<u>109,854</u>
<b>TOTAL ASSETS</b>	<b><u>304,131</u></b>	<b><u>255,335</u></b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	119,551	93,290
Preference shares	4,891	6,204
Foreign exchange reserve	3	-
Retained profits	91,093	84,267
Equity attributable to owners of the Company	<u>215,538</u>	<u>183,761</u>
Non-controlling interests	5,348	4,874
<b>Total Equity</b>	<b><u>220,886</u></b>	<b><u>188,635</u></b>
<b>Non-Current Liabilities</b>		
Lease liabilities	110	130
Deferred tax liabilities	7,288	7,288
Trade payables	48,871	41,871
	<u>56,269</u>	<u>49,289</u>
<b>Current Liabilities</b>		
Trade payables	7,246	6,643
Other payables & accruals	19,600	10,608
Lease liabilities	128	158
Current tax liability	2	2
	<u>26,976</u>	<u>17,411</u>
<b>Total Liabilities</b>	<b><u>83,245</u></b>	<b><u>66,700</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>304,131</u></b>	<b><u>255,335</u></b>
Net assets per share attributable to owners of the Company (RM)	<u>0.37</u>	<u>0.40</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes to the interim financial report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

	(UNAUDITED)		(UNAUDITED)	
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2021 RM'000	Preceding Year Corresponding Quarter 31.03.2020 RM'000	Current Year To Date 31.03.2021 RM'000	Preceding Year Corresponding Period 31.03.2020 RM'000
Revenue	49,488	33,354	49,488	33,354
Cost of sales	(39,602)	(24,932)	(39,602)	(24,932)
Gross profit	9,886	8,422	9,886	8,422
Other operating incomes	507	170	507	170
Administrative expenses	(3,356)	(1,747)	(3,356)	(1,747)
Profit from operations	7,037	6,845	7,037	6,845
Finance costs	(6)	(8)	(6)	(8)
Profit before taxation	7,031	6,837	7,031	6,837
Taxation	(25)	(8)	(25)	(8)
Profit for the period	7,006	6,829	7,006	6,829
<b>Other comprehensive income</b>				
<b>Items that may be reclassified</b>				
<b>subsequently to profit or loss</b>				
Gain on foreign currency translation	3	-	3	-
Other comprehensive income, net of tax	3	-	3	-
<b>Total comprehensive income for the period</b>	<b>7,009</b>	<b>6,829</b>	<b>7,009</b>	<b>6,829</b>
<b>Profit attributable to:</b>				
Owners of the Company	6,826	6,838	6,826	6,838
Non-controlling interests	180	(9)	180	(9)
Profit after tax	7,006	6,829	7,006	6,829
<b>Total comprehensive income</b>				
<b>attributable to:</b>				
Owners of the Company	6,829	6,838	6,829	6,838
Non-controlling interests	180	(9)	180	(9)
	7,009	6,829	7,009	6,829
Earning per share attributable to owners of the Company:				
Basic EPS (sen)	1.16	2.33	1.16	2.33

**The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.**



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021

	Attributable To Owners Of The Company						Non-Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Preference Shares RM'000	Capital Reserves RM'000	Foreign Exchange Reserve RM'000	Retained Profits RM'000	Total RM'000		
<b>At 1 January 2020</b>	60,268	7,855	887	-	40,806	109,816	9,615	119,431
Total comprehensive income	-	-	-	-	6,838	6,838	(9)	6,829
	60,268	7,855	887	-	47,644	116,654	9,606	126,260
<b>Transaction with owners of the Company</b>								
Issuance of shares pursuant to conversion of irredeemable convertible preference shares ("ICPS")	796	(39)	-	-	-	757	-	757
Acquisition of a subsidiary	-	-	-	-	-	-	490	490
Total transactions with owners in their capacity as owners	796	(39)	-	-	-	757	490	1,247
<b>At 31 March 2020</b>	61,064	7,816	887	-	47,644	117,411	10,096	127,507
<b>At 1 January 2021</b>	93,290	6,204	-	-	84,267	183,761	4,874	188,635
Profit after tax	-	-	-	-	6,826	6,826	180	7,006
Foreign currency translation reserves	-	-	-	3	-	3	-	3
Other comprehensive income	-	-	-	3	-	3	-	3
Total comprehensive income	-	-	-	3	6,826	6,829	180	7,009
<b>Transaction with owners of the Company</b>								
Issuance of shares pursuant to conversion of ICPS	26,261	(1,313)	-	-	-	24,948	-	24,948
Acquisition of subsidiaries	-	-	-	-	-	-	294	294
Total transactions with owners in their capacity as owners	26,261	(1,313)	-	-	-	24,948	294	25,242
<b>At 31 March 2021</b>	119,551	4,891	-	3	91,093	215,538	5,348	220,886

The amount of share capital of the Company as at 31 March 2021 is RM119,551,553 comprising of RM103,803,700 ordinary shares subsequent to the ICPS Conversion 519,018,500 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 for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

	(UNAUDITED) Current Year To Date 31.03.2021 RM'000	(UNAUDITED) Preceding Year Corresponding Period 31.03.2020 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	7,031	6,837
Adjustments:-		
Amortisation of leasehold land	-	9
Depreciation of property, plant and equipment	718	414
Depreciation of right-of-use assets	44	34
Interest income	(54)	(169)
Interest expense	6	8
Negative goodwill	(443)	-
Operating profit before working capital changes	7,302	7,133
Changes in working capital:		
Inventories	(276)	-
Receivables	(3,635)	1,347
Associate company	-	(567)
Payables	(212)	1,464
Cash generated from operations	3,179	9,377
Interest received	54	169
Interest paid	(6)	(8)
Tax paid	(25)	(23)
<b>Net cash generated from operating activities</b>	<b>3,202</b>	<b>9,515</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(25)	(5)
Acquisition of subsidiaries, net of cash acquired	2,241	-
Acquisition of other investments	-	(13,000)
<b>Net cash generated from/(used in) investing activities</b>	<b>2,216</b>	<b>(13,005)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment to directors	-	(4)
Decrease/(Increase) in fixed deposits with the licensed bank	2,000	(2,000)
Issuance of share capital via conversion of ICPS	24,948	757
Issuance of shares by subsidiary	-	490
Repayment of lease liabilities	(50)	(45)
<b>Net cash generated from/(used in) financing activities</b>	<b>26,898</b>	<b>(802)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>32,316</b>	<b>(4,292)</b>
<b>Effects of exchange rate changes</b>	<b>3</b>	<b>-</b>
<b>Cash &amp; cash equivalents at beginning of the financial period</b>	<b>24,512</b>	<b>27,622</b>
<b>Cash &amp; cash equivalents at end of the financial period</b>	<b>56,831</b>	<b>23,330</b>
<b><u>Cash &amp; cash equivalents at end of the financial period comprise the followings:</u></b>		
Fixed deposits with licenced banks	380	2,020
Cash and bank balances	56,831	23,330
	57,211	25,350
Less: Fixed deposit with licensed bank	(380)	(2,020)
	56,831	23,330

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

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**NOTES TO THE INTERIM FINANCIAL REPORT**

**A1. Basis of 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 2020. 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 2020.

**A2. Significant Accounting Policies**

The significant accounting policies adopted by the Group in the interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2020 except for the adoption of the following new accounting standards, amendments and interpretation:

**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 2021:

- Amendments to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement*, MFRS 7 *Financial Instruments: Disclosure*, MFRS 4 *Insurance Contracts* and MFRS 16 *Leases - Interest Rate Benchmark Reform Phase 2*

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.

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**2.2 New/ Revised MFRSs, Amendments to MFRSs and Interpretations not adopted**

**MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 April 2021**

- Amendment to MFRS 16 *Leases - Covid-19 - Related Rent Concessions beyond 30 June 2021*

**MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2022**

- Amendments to MFRS 3 *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts-Cost of Fulfilling a Contract*
- Annual Improvements to MFRS Standards 2018-2020

**MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2023**

- MFRS 17 *Insurance Contracts* and Amendments to MFRS 17 *Insurance contracts*
- Amendments to MFRS 101 *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101 *Presentation of Financial Statements - Disclosure of Accounting Policies*
- Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*

**MFRSs, Amendments to MFRSs and Interpretations effective 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*

**A3. 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.

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
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**A4. 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 financial year-to-date under review.

**A5. 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.

**A6. Changes in Debts and Equity Securities**

A total of 131,304,951 ICPS were exercised during the three month ended 31 March 2021.

Save for the above, 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.

**A7. 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  
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**A8. Segmental Information**

(i) Segment analysis for the financial year-to-date ended 31 March 2021: -

	<b>Enterprise Resource Planning (ERP) RM'000</b>	<b>Internet of Things (IoT) RM'000</b>	<b>Investment Holding RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>				
Total revenue	40,508	9,341	-	49,849
- Inter-segmental revenue	(361)	-	-	(361)
Revenue from external parties	40,147	9,341	-	49,488
<b>Results</b>				
Segment profit/(loss)	6,327	873	(163)	7,037
Interest expenses	(6)	-	-	(6)
Profit/(Loss) before taxation	6,321	873	(163)	7,031
Taxation	(12)	(13)	-	(25)
Net profit/(loss) for the financial period	6,309	860	(163)	7,006
Additional to non-current assets	18	7	-	25
Segment assets	150,979	95,373	33,333	279,685
<b>Non-cash expenses</b>				
Depreciation of property, plant and equipment	256	462	-	718
Depreciation of right-of-use assets	44	-	-	44



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**A8. Segmental Information (Cont'd)**

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

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

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**A9. Significant Event During The Financial Period**

There was no significant event during the current quarter ended 31 March 2021.

**A10. Subsequent Events**

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

**A11. Changes in the Composition of the Group**

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

**A12. Changes in Contingent Liabilities and Assets**

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

**A13. Capital Commitments**

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

**A14. Significant Related Party Transactions**

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

	<b>Current Quarter</b>	<b>Year To Date</b>
	<b>31.03.2021</b>	<b>31.03.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Office rental paid/payable to:-		
VNH One Sdn Bhd	<u>33</u>	<u>33</u>

VNH One Sdn Bhd is the company in which the Director 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.

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**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 Quarter		Changes (RM'000 / %)	Cumulative Period		Changes (RM'000 / %)
	Current Year Quarter 1Q21	Preceding Year Corresponding Quarter 1Q20		Current Year Quarter 3M21	Preceding Year Corresponding Quarter 3M20	
	31.03.2021 RM'000	31.03.2020 RM'000		31.03.2021 RM'000	31.03.2020 RM'000	
Revenue	49,488	33,354	16,134 / 48	49,488	33,354	16,134 / 48
Gross Profit	9,886	8,422	1,464 / 17	9,886	8,422	1,464 / 17
Profit Before Interest and Tax	7,037	6,845	192 / 3	7,037	6,845	192 / 3
Profit Before Tax ("PBT")	7,031	6,837	194 / 3	7,031	6,837	194 / 3
Profit After Tax	7,006	6,829	177 / 3	7,006	6,829	177 / 3
EPS Attributable to owners of the Company (Sen)	1.16	2.33	(1) / (50)	1.16	2.33	(1) / (50)

For the current quarter under review, the Group's revenue and PBT increase by 48% and 3% respectively as compare to preceding year corresponding quarter, this was due to the contribution from ERP and IoT segments of RM40.1 million and RM9.3 million respectively. These two segments will continue growing and contribute profit for the Group.

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FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

**B1. Review of Performance (Cont'd)**

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

	<b>Current Quarter 31.03.2021 RM'000 1Q21</b>	<b>Immediate Preceding Quarter 31.12.2020 RM'000 4Q20</b>	<b>Changes (RM'000 / % )</b>
Revenue	49,488	72,459	(22,971) / (32)
Gross Profit	9,886	24,733	(14,847) / (60)
Profit Before Interest and Tax	7,037	22,583	(15,546) / (69)
Profit Before Tax ("PBT")	7,031	20,622	(13,591) / (66)
Profit After Tax	7,006	19,314	(12,308) / (64)
EPS Attributable to owners of the Company (Sen)	1.16	4.34	(3) / (73)

The Group reported PBT of RM7.0 million in 1Q21 compared with RM20.6 million in 4Q20, representing a decrease of RM13.6 million or 66% in PBT. The lower PBT was mainly attributed to lower revenue contribution from ERP segment.

**B2. Group's Prospect**

ERP and IoT segments are expected to contribute impressive future earnings for the Group.

**B3. Variance of Actual Profit from Profit Forecast**

The Group did not issue any profit forecast and profit guarantee during the current quarter under review.

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FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

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**B4. Taxation**

Taxation comprises the following: -

	<b>Current Quarter 31.03.2021 RM'000</b>	<b>Year To Date 31.03.2021 RM'000</b>
Current year provision	25	25
Under provision in prior year	-	-
	<u>25</u>	<u>25</u>
Deferred taxation	-	-
	<u>25</u>	<u>25</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.

**B5. Corporate Proposals**

There were no corporate proposals during the period under review.

**B6. Material Litigation**

The Group does not engaged in any material litigation 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.

**B7. 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 2021**

**B8. Earnings per Share**

The earnings per ordinary share of the Group is calculated based on the profit attributable to owners of ordinary shares divided by the weighted average number of ordinary shares in issue during the financial period.

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current Year</b>	<b>Preceding Year</b>
	<b>Quarter</b>	<b>Corresponding</b>	<b>To Date</b>	<b>Corresponding</b>
	<b>31.03.2021</b>	<b>Quarter</b>	<b>31.03.2021</b>	<b>Period</b>
	<b>RM'000</b>	<b>31.03.2020</b>	<b>RM'000</b>	<b>31.03.2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to owners of the Company	<u>6,826</u>	<u>6,838</u>	<u>6,826</u>	<u>6,838</u>
Weighted average number of ordinary shares in issue	<u>586,229</u>	<u>293,792</u>	<u>586,229</u>	<u>293,792</u>
Earning per share (sen)	<u>1.16</u>	<u>2.33</u>	<u>1.16</u>	<u>2.33</u>

**B9. 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 2020.

**ARB BERHAD**  
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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
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**B10. Notes to the Statement of Comprehensive Income**

	<b>Current Quarter 31.03.2021 RM'000</b>	<b>Year To Date 31.03.2021 RM'000</b>
Depreciation of property, plant and equipment	718	718
Depreciation of right-of-use assets	44	44
Interest expense	6	6
Interest income	(54)	(54)
	<hr/>	<hr/>

**By Order of the Board,  
Dato' Sri Liew Kok Leong  
Executive Director**

**20 May 2021**