



ARB BERHAD

[Company No. 199701033435 (448934-M)]
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

| | As at 31.3.2022 RM'000 | As at 31.12.2020 RM'000 |
|--|------------------------------|-------------------------------|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 111,993 | 39,440 |
| Right-of-use assets | 138 | 254 |
| Intangible assets | - | 30,752 |
| Goodwill on consolidation | 39,880 | 45 |
| Other investments | - | 10,850 |
| Trade receivables | - | 64,140 |
| | <u>152,011</u> | <u>145,481</u> |
| Current Assets | | |
| Inventories | 550 | - |
| Trade receivables | 197,104 | 68,230 |
| Other receivables, prepayments and deposits | 22,146 | 15,112 |
| Tax recoverable | 168 | - |
| Fixed deposits with licenced banks | 700 | 2,000 |
| Cash and bank balances | 84,165 | 24,512 |
| | <u>304,833</u> | <u>109,854</u> |
| TOTAL ASSETS | <u>456,844</u> | <u>255,335</u> |
| EQUITY AND LIABILITIES | | |
| Share capital | 196,935 | 93,290 |
| Irredeemable convertible preference shares ("ICPS") | 4,671 | 6,204 |
| Retained profits | 175,410 | 84,267 |
| Equity attributable to Owners of the Company | <u>377,016</u> | <u>183,761</u> |
| Non-controlling interests | 817 | 4,874 |
| Total Equity | <u>377,833</u> | <u>188,635</u> |
| Non-Current Liabilities | | |
| Lease liabilities | 11 | 130 |
| Deferred tax liabilities | 4,773 | 7,288 |
| Trade payables | - | 41,871 |
| | <u>4,784</u> | <u>49,289</u> |
| Current Liabilities | | |
| Trade payables | 54,757 | 6,643 |
| Other payables and accruals | 18,649 | 10,608 |
| Lease liabilities | 129 | 158 |
| Current tax liability | 692 | 2 |
| | <u>74,227</u> | <u>17,411</u> |
| Total Liabilities | <u>79,011</u> | <u>66,700</u> |
| TOTAL EQUITY AND LIABILITIES | <u>456,844</u> | <u>255,335</u> |
| Net assets per share attributable to Owners of the Company (RM) | <u>0.31</u> | <u>0.40</u> |
| Number of outstanding ordinary shares in issue ('000) | <u>1,216,435</u> | <u>454,924</u> |

The financial year end of the Group has been changed from 31 December to 30 June.

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.



ARB BERHAD

[Company No. 199701033435 (448934-M)]

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE FIFTH QUARTER ENDED 31 MARCH 2022

| | Current quarter ended 31.3.2022 RM'000 | Comparative quarter ended 31.3.2021 RM'000 | Current period to date ended 31.3.2022 RM'000 | Preceding period to date ended 31.3.2021 RM'000 |
|--|--|--|---|---|
| Revenue | 137,233 | - | 446,440 | - |
| Cost of sales | (66,255) | - | (319,458) | - |
| Gross profit | 70,978 | - | 126,982 | - |
| Other operating incomes | (33,925) | - | 2,522 | - |
| Administrative expenses | (2,033) | - | (20,819) | - |
| Other operating expenses | (30,752) | - | (31,000) | - |
| Profit from operations | 4,268 | - | 77,685 | - |
| Finance costs | (1) | - | (20) | - |
| Profit before taxation | 4,267 | - | 77,665 | - |
| Taxation | 1,723 | - | 1,828 | - |
| Profit for the period | 5,990 | - | 79,493 | - |
| Other comprehensive income | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Gain on foreign currency translation | - | - | 3 | - |
| Other comprehensive income, net of tax | - | - | 3 | - |
| Total comprehensive income for the period | 5,990 | - | 79,496 | - |
| Profit/(Loss) attributable to: | | | | |
| Owners of the Company | 16,873 | - | 91,083 | - |
| Non-controlling interests | (10,883) | - | (11,590) | - |
| | 5,990 | - | 79,493 | - |
| Total comprehensive income/(expenses) attributable to: | | | | |
| Owners of the Company | 16,873 | - | 91,086 | - |
| Non-controlling interests | (10,883) | - | (11,590) | - |
| | 5,990 | - | 79,496 | - |
| Earnings per share attributable to Owners of the Company (sen): | | | | |
| Basic | 1.89 | - | 14.23 | - |
| Diluted | 1.82 | - | 13.53 | - |

The financial year end of the Group has been changed from 31 December to 30 June. As such, there will no comparative financial information available for the preceding year corresponding period.

The Condensed Consolidated Statements of Profit or Loss 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 STATEMENT OF CHANGES IN EQUITY
FOR THE FIFTH QUARTER ENDED 31 MARCH 2022**

| | Attributable To Owners Of The Company | | | | | Non- controlling interests | Total equity |
|--|---------------------------------------|--------------|--------------------------------|----------------------|----------------|----------------------------------|-----------------|
| | Share Capital | ICPS | Foreign Exchange Reserve | Retained Earnings | Total | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | | |
| As at 1 January 2021 | 93,290 | 6,204 | - | 84,267 | 183,761 | 4,874 | 188,635 |
| Profit/(Loss) after tax | - | - | - | 91,083 | 91,083 | (11,590) | 79,493 |
| Foreign currency translation gain | - | - | 3 | - | 3 | - | 3 |
| Other comprehensive income | - | - | 3 | - | 3 | - | 3 |
| Total comprehensive income/(expenses) | - | - | 3 | 91,083 | 91,086 | (11,590) | 79,496 |
| Transaction with Owners of the Company | | | | | | | |
| Issuance of shares pursuant to conversion of ICPS | 30,659 | (1,533) | - | - | 29,126 | - | 29,126 |
| Issuance of shares via right issue | 72,986 | - | - | - | 72,986 | - | 72,986 |
| Disposal of subsidiaries | - | - | (3) | - | (3) | 7,179 | 7,176 |
| Acquisition of subsidiaries | - | - | - | - | - | 2,562 | 2,562 |
| Acquisitions of additional interests in subsidiaries from non-controlling interests: | | | | | | | |
| - Accretion of equity interests | - | - | - | - | - | (2,845) | (2,845) |
| - Gain on acquisition | - | - | - | 373 | 373 | - | 373 |
| Effects of dilution of interests in a subsidiary | - | - | - | (313) | (313) | 313 | - |
| Ordinary shares capital contributed by non-controlling interests of subsidiaries | - | - | - | - | - | 324 | 324 |
| Total transactions with Owners in their capacity as Owners | 103,645 | (1,533) | (3) | 60 | 102,169 | 7,533 | 109,702 |
| As at 31 March 2022 | 196,935 | 4,671 | - | 175,410 | 377,016 | 817 | 377,833 |
| As at 1 January 2020 | - | - | - | - | - | - | - |
| Profit after tax | - | - | - | - | - | - | - |
| Transaction with Owners of the Company | | | | | | | |
| Issuance of shares pursuant to conversion of ICPS | - | - | - | - | - | - | - |
| Total transactions with Owners in their capacity as Owners | - | - | - | - | - | - | - |
| As at 31 March 2021 | - | - | - | - | - | - | - |

The amount of share capital of the Company as at 31 March 2022 is RM196,935,421 comprising of RM108,201,480 ordinary shares subsequent to the ICPS Conversion 541,007,400 new ordinary shares at a price of RM0.20 per share.

The financial year end of the Group has been changed from 31 December to 30 June. As such, there will no comparative financial information available for the preceding year corresponding period.

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 STATEMENT OF CASH FLOWS
 FOR THE FIFTH QUARTER ENDED 31 MARCH 2022**

| | Current period to date ended 31.3.2022 RM'000 | Preceding period to date ended 31.3.2021 RM'000 |
|---|--|--|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 77,665 | - |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 8,809 | - |
| Depreciation of right-of-use assets | 308 | - |
| Finance costs | 20 | - |
| Gain on reassessments and modifications of leases | (22) | - |
| Interest income | (310) | - |
| Impairment loss on intangible assets | 30,752 | - |
| Loss on disposal of subsidiaries | 114 | - |
| Negative goodwill | (95) | - |
| Rental concession received | (3) | - |
| Reversal of unwinding of discounts of long-term financial instruments | (1,930) | - |
| Operating profit before changes in working capital | 115,308 | - |
| Changes in working capital: | | |
| Inventories | 31 | - |
| Receivables | (64,683) | - |
| Payables | 2,154 | - |
| Cash generated from operations | 52,810 | - |
| Interest received | 310 | - |
| Income tax paid | (162) | - |
| Net cash generated from operating activities | 52,958 | - |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Acquisition of additional equity interest of subsidiaries | (50) | - |
| Acquisition of subsidiaries, net of cash acquired | (23,915) | - |
| Net cash outflow upon disposal of subsidiaries | (67) | - |
| Proceed from redemption of other investment | 5,400 | - |
| Purchase of property, plant and equipment | (78,076) | - |
| Net cash used in investing activities | (96,708) | - |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Decrease in fixed deposits with the licensed banks | 1,300 | - |
| Issuance of share capital via conversion of ICPS | 29,126 | - |
| Issuance of shares via right issue | 72,986 | - |
| Ordinary share capital contributed by non-controlling interests of subsidiaries | 324 | - |
| Payment of lease liabilities | (334) | - |
| Net cash generated from financing activities | 103,402 | - |
| Net increase in cash and cash equivalents | 59,652 | - |
| Effects of exchange rate changes | 1 | - |
| Cash and cash equivalents at beginning of the financial period | 24,512 | - |
| Cash and cash equivalents at end of the financial period | 84,165 | - |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE FIFTH QUARTER ENDED 31 MARCH 2022 (CONT'D)**

| | Current year to date ended 31.3.2022 RM'000 | Preceding period to date ended 31.3.2021 RM'000 |
|--|--|--|
| Cash and cash equivalents at end of the financial period comprise the followings: | | |
| Fixed deposits with licenced banks | 700 | - |
| Cash and bank balances | 84,165 | - |
| | 84,865 | - |
| Less: Fixed deposit with licensed banks | (700) | - |
| | 84,165 | - |

The financial year end of the Group has been changed from 31 December to 30 June. As such, there will no comparative financial information available for the preceding year corresponding period.

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 to the interim financial report.

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIFTH QUARTER ENDED 31 MARCH 2022

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 Main Market 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.

On 22 February 2022, the Company has announced the change of financial year end from 31 December to 30 June. As such, there will be no comparative financial information available for the financial period ended 31 March 2021. The next annual audited financial statements of the Group shall be for a period of 18 months from 1 January 2021 to 30 June 2022 and thereafter, the financial year end shall be 30 June for each subsequent year.

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:

(a) 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 current financial period:

(i) For financial period 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*
- Amendment to MFRS 16 *Leases - Covid-19 - Related Rent Concessions beyond 30 June 2021*

(ii) For financial period 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

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.

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIFTH QUARTER ENDED 31 MARCH 2022

A2. Significant Accounting Policies (Cont'd)

(b) 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 January 2023

- MFRS 17 *Insurance Contracts*, Amendments to MFRS 17 *Insurance contracts* and Initial Application of MFRS 17 and MFRS 9 - *Comparative Information (Amendment 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*
- Amendments to MFRS 112 *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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 period to date under review.

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 period 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 period to date under review.

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIFTH QUARTER ENDED 31 MARCH 2022

A6. Changes in Debts and Equity Securities

- (a) A total of 153,293,851 ICPS were exercised during the financial period ended 31 March 2022.
- (b) Issuance of 608,217,400 new ordinary shares from the Rights Issue during the financial period ended 31 March 2022.

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 have been paid during the current quarter and financial period to date under review.

A8. Segmental Information

- (a) Segment analysis for the financial period to date ended 31 March 2022:

| | Enterprise Resource Planning ("ERP") RM'000 | Internet of Things ("IoT") RM'000 | Others RM'000 | Total RM'000 |
|---|--|--|--------------------------|-------------------------|
| Revenue | | | | |
| Total revenue | 165,851 | 296,459 | 863 | 463,173 |
| - Inter-segment revenue | (13,575) | (2,295) | (863) | (16,733) |
| Revenue from external parties | <u>152,276</u> | <u>294,164</u> | <u>-</u> | <u>446,440</u> |
| Results | | | | |
| Segment profit/(loss) | 18,814 | 60,008 | (1,137) | 77,685 |
| Finance costs | (13) | (7) | - | (20) |
| Profit/(Loss) before taxation | <u>18,801</u> | <u>60,001</u> | <u>(1,137)</u> | <u>77,665</u> |
| Taxation | 3,030 | (1,192) | (10) | 1,828 |
| Net profit/(loss) for the financial period | <u>21,831</u> | <u>58,809</u> | <u>(1,147)</u> | <u>79,493</u> |
| Purchase of property, plant and equipment | 78,066 | 10 | - | 78,076 |
| Segment assets | <u>130,670</u> | <u>313,136</u> | <u>12,870</u> | <u>456,676</u> |
| Non-cash expenses | | | | |
| Depreciation of property, plant and equipment | (6,063) | (2,746) | - | (8,809) |
| Depreciation of right-of-use assets | <u>(157)</u> | <u>(151)</u> | <u>-</u> | <u>(308)</u> |

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIFTH QUARTER ENDED 31 MARCH 2022

A8. Segmental Information (Cont'd)

(b) Segment analysis for the financial period to date ended 31 March 2021:

| | ERP RM'000 | IoT RM'000 | Others RM'000 | Total RM'000 |
|---|---------------|---------------|------------------|-----------------|
| Revenue | | | | |
| Total revenue | - | - | - | - |
| - Inter-segment revenue | - | - | - | - |
| Revenue from external parties | - | - | - | - |
| Results | | | | |
| Segment profit/(loss) | - | - | - | - |
| Finance costs | - | - | - | - |
| Profit/(Loss) before taxation | - | - | - | - |
| Taxation | - | - | - | - |
| Net profit/(loss) for the financial period | - | - | - | - |
| Purchase of property, plant and equipment | - | - | - | - |
| Segment assets | - | - | - | - |
| Non-cash expenses | | | | |
| Depreciation of property, plant and equipment | - | - | - | - |
| Depreciation of right-of-use assets | - | - | - | - |

The financial year end of the Group has been changed from 31 December to 30 June. As such, there will no comparative financial information available for the preceding year corresponding period.

A9. Significant Event During The Financial Period

There was no significant event during the current quarter ended 31 March 2022.

A10. Subsequent Events

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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIFTH QUARTER ENDED 31 MARCH 2022

A11. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the current quarter 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 period to date were summarised as below:

| | Current quarter ended 31.3.2022 RM'000 | Current period to date ended 31.3.2022 RM'000 |
|-----------------------|---|--|
| Revenue | 77,000 | 154,000 |
| Office rental expense | (33) | (165) |

Revenue to Ageson Berhad group of companies.

Office rental expense paid to VNH One Sdn. Bhd..

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIFTH QUARTER ENDED 31 MARCH 2022

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of Performance

The financial year end of the Group has been changed from 31 December to 30 June. As such, there will no comparative financial information available for the preceding year corresponding period.

The comparison of the quarterly results is tabulated below:

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

| | Current quarter ended 31.3.2022 RM'000 | Comparative quarter ended 31.3.2021 RM'000 | Changes (RM'000 / %) | Current period to date ended 31.3.2022 RM'000 | Preceding period to date ended 31.3.2021 RM'000 | Changes (RM'000 / %) |
|---|--|--|----------------------|---|---|----------------------|
| Revenue | 137,233 | - | - / - | 446,440 | - | - / - |
| Gross Profit | 70,978 | - | - / - | 126,982 | - | - / - |
| Profit Before Tax ("PBT") | 4,267 | - | - / - | 77,665 | - | - / - |
| Profit After Tax | 5,990 | - | - / - | 79,493 | - | - / - |
| EPS Attributable to Owners of the Company (sen) | 1.89 | - | - / - | 14.23 | - | - / - |

The Group registered revenue of RM137.2 million in current quarter was mainly contributed by stable revenue generated from ERP and IoT segments.

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

| | Current quarter ended 31.3.2022 RM'000 | Immediate preceding quarter ended 31.12.2021 RM'000 | Changes (RM'000 / %) |
|---|--|---|----------------------|
| Revenue | 137,233 | 135,632 | 1,601 / 1 |
| Gross Profit | 70,978 | 23,743 | 47,235 / >100 |
| Profit Before Tax ("PBT") | 4,267 | 16,445 | (12,178) / (74) |
| Profit After Tax | 5,990 | 16,798 | (10,808) / (64) |
| EPS Attributable to Owners of the Company (sen) | 1.89 | 2.88 | (1) / (34) |

The Group reported PBT of RM4.3 million in current quarter compare with RM16.4 million in immediate preceding quarter, representing a decrease of RM12.2 million or 3 times in PBT. The lower PBT was mainly due to the impairment loss on intangible assets of RM30.8 million and reversal of negative goodwill of RM34.1 million arised from acquisition of subsidiaries; and offset against higher performance contributed by ERP and IoT segments.

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIFTH QUARTER ENDED 31 MARCH 2022

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.

B4. Tax expense

| | Current quarter ended 31.3.2022 RM'000 | Current period to date ended 31.3.2022 RM'000 |
|-------------------------------|---|--|
| Current period provision | 700 | 743 |
| Under provision in prior year | - | 38 |
| | <u>700</u> | <u>781</u> |
| Deferred taxation | (2,423) | (2,609) |
| | <u>(1,723)</u> | <u>(1,828)</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 and utilisation of proceeds

(a) Status of corporate proposal

Save as disclosed below, there were no other corporate proposals announced but not completed, as at the date of this report.

On 3 November 2021, Mercury Securities Sdn. Bhd. ("Mercury Securities") on behalf of the Board, announced that the Company proposed to undertake a renounceable rights issue of up to 1,075,350,500 new ordinary shares in the Company ("Shares")("Rights Shares") on the basis of 1 Rights Share for every 1 existing Share held by the entitled Shareholders of the Company on an entitlement date to be determined and announced later.

On 17 February 2022, Mercury Securities on behalf of the Board, announced that the Rights Issue has been completed following the listing and quotation for 608,217,400 Rights Shares on the Main Market of Bursa Malaysia Securities Berhad. This allows the Company to raise gross proceeds of approximately RM72.99 million based on the issue price of RM0.12 per Right Share.

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIFTH QUARTER ENDED 31 MARCH 2022

B5. Corporate Proposals and utilisation of proceeds (Cont'd)

(b) Utilisation of proceeds

The status of utilisation of proceeds from Rights Issue of approximately RM72.99 million as at 31 March 2022 are as follow:

| | Detail of the utilisation of proceeds | Utilisation | | | Estimated timeframe for utilisation from the date of listings |
|-------|--|-----------------|---------------|----------------|---|
| | | Proposed RM'000 | Actual RM'000 | Balance RM'000 | |
| (i) | Funding for the provision of hydroponics IOT solutions | 55,000 | - | 55,000 | Within 24 months |
| (ii) | Funding for future projects or acquisition and/or investment in other complementary businesses and/or assets | 17,276 | - | 17,276 | Within 36 months |
| (iii) | Estimated expenses for the Rights Issue | 710 | 710 | - | Immediate |
| | Total | 72,986 | 710 | 72,276 | |

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 FIFTH QUARTER ENDED 31 MARCH 2022

B8. Earnings per Share ("EPS")

(a) Basic EPS

The basic EPS of the Group is calculated based on the profit attributable to Owners (ordinary equity holders) of the Company divided by the weighted average number of ordinary shares in issue.

| | Current quarter ended 31.3.2022 | Comparative quarter ended 31.3.2021 | Current period to date ended 31.3.2022 | Preceding period to date ended 31.3.2021 |
|---|--|--|---|---|
| Profit attributable to Owners of the Company (RM'000) | 16,873 | - | 91,083 | - |
| Weighted average number of ordinary shares outstanding ('000) | 892,052 | - | 639,974 | - |
| Basic EPS (sen) | 1.89 | - | 14.23 | - |

(b) Diluted EPS

The diluted EPS of the Group is calculated based on the profit attributable to Owners (ordinary equity holders) of the Company divided by the weighted average number of ordinary shares in issue adjusted to assume conversion of all dilutive potential ordinary shares arising from ICPS as follow:

| | Current quarter ended 31.3.2022 | Comparative quarter ended 31.3.2021 | Current period to date ended 31.3.2022 | Preceding period to date ended 31.3.2021 |
|--|--|--|---|---|
| Profit attributable to Owners of the Company (RM'000) | 16,873 | - | 91,083 | - |
| Weighted average number of ordinary shares outstanding ('000) | 892,052 | - | 639,974 | - |
| Effect of dilution of assumed conversion of ICPS ('000) | 33,367 | - | 33,367 | - |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000) | 925,419 | - | 673,341 | - |
| Diluted EPS (sen) | 1.82 | - | 13.53 | - |

The financial year end of the Group has been changed from 31 December to 30 June. As such, there will no comparative financial information available for the preceding year corresponding period.

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIFTH QUARTER ENDED 31 MARCH 2022

B9. Auditors' Report on Preceding Annual Financial Statements

There was no audit qualification in the audited report of the Company and its subsidiaries preceding annual financial statements for the financial year ended 31 December 2020.

B10. Items included in the Statement of Profit or Loss

| | Current quarter ended 31.3.2022 RM'000 | Current period to date ended 31.3.2022 RM'000 |
|---|---|--|
| Depreciation of property, plant and equipment | (3,207) | (8,809) |
| Depreciation of right-of-use assets | (39) | (308) |
| Finance costs | (1) | (20) |
| Impairment loss on intangible assets | (30,752) | (30,752) |
| Interest income | 91 | 310 |
| Gain on reassessments and modifications of leases | - | 22 |
| Gain/(Loss) on disposal of subsidiaries | 128 | (114) |
| Negative goodwill | (34,144) | 95 |
| Rental concession received | - | 3 |
| Reversal of unwinding of discounts of long-term financial instruments | - | 1,930 |

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

18 May 2022