



# ARB BERHAD

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

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	As at 30.6.2022 RM'000	As at 31.12.2020 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	163,907	39,440
Right-of-use assets	1,994	254
Intangible assets	-	30,752
Goodwill on consolidation	39,881	45
Other investments	-	10,850
Trade receivables	-	64,140
	<u>205,782</u>	<u>145,481</u>
<b>Current Assets</b>		
Inventories	402	-
Trade receivables	101,225	68,230
Other receivables, prepayments and deposits	6,356	15,112
Tax recoverable	154	-
Fixed deposits with licenced banks	-	2,000
Cash and bank balances	102,473	24,512
	<u>210,610</u>	<u>109,854</u>
<b>TOTAL ASSETS</b>	<u>416,392</u>	<u>255,335</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	196,935	93,290
Irredeemable convertible preference shares ("ICPS")	4,671	6,204
Retained profits	177,253	84,267
Equity attributable to Owners of the Company	<u>378,859</u>	<u>183,761</u>
Non-controlling interests	626	4,874
<b>Total Equity</b>	<u>379,485</u>	<u>188,635</u>
<b>Non-Current Liabilities</b>		
Lease liabilities	1,231	130
Deferred tax liabilities	15,851	7,288
Trade payables	-	41,871
	<u>17,082</u>	<u>49,289</u>
<b>Current Liabilities</b>		
Trade payables	1,021	6,643
Other payables and accruals	9,875	10,608
Lease liabilities	774	158
Current tax liability	8,155	2
	<u>19,825</u>	<u>17,411</u>
<b>Total Liabilities</b>	<u>36,907</u>	<u>66,700</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>416,392</u>	<u>255,335</u>
<b>Net assets per share attributable to Owners of the Company (RM)</b>	<u>0.31</u>	<u>0.40</u>
<b>Number of outstanding ordinary shares in issue ('000)</b>	<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 SIXTH QUARTER ENDED 30 JUNE 2022

	Current quarter ended 30.6.2022 RM'000	Comparative quarter ended 30.6.2021 RM'000	Current period to date ended 30.6.2022 RM'000	Preceding period to date ended 30.6.2021 RM'000
Revenue	176,173	-	622,613	-
Cost of sales	(148,673)	-	(468,131)	-
Gross profit	27,500	-	154,482	-
Other operating incomes	194	-	2,716	-
Administrative expenses	(7,446)	-	(28,265)	-
Other operating expenses	-	-	(31,000)	-
Profit from operations	20,248	-	97,933	-
Finance costs	(21)	-	(41)	-
Profit before taxation	20,227	-	97,892	-
Taxation	(18,575)	-	(16,747)	-
Profit for the period	1,652	-	81,145	-
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Gain on foreign currency translation	-	-	3	-
Other comprehensive income, net of tax	-	-	3	-
<b>Total comprehensive income for the period</b>	<b>1,652</b>	<b>-</b>	<b>81,148</b>	<b>-</b>
<b>Profit/(Loss) attributable to:</b>				
Owners of the Company	1,843	-	92,926	-
Non-controlling interests	(191)	-	(11,781)	-
	<b>1,652</b>	<b>-</b>	<b>81,145</b>	<b>-</b>
<b>Total comprehensive income/(expenses) attributable to:</b>				
Owners of the Company	1,843	-	92,929	-
Non-controlling interests	(191)	-	(11,781)	-
	<b>1,652</b>	<b>-</b>	<b>81,148</b>	<b>-</b>
<b>Earnings per share attributable to Owners of the Company (sen):</b>				
Basic	0.15	-	12.62	-
Diluted	0.15	-	12.08	-

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 SIXTH QUARTER ENDED 30 JUNE 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		
<b>As at 1 January 2021</b>	93,290	6,204	-	84,267	183,761	4,874	188,635
Profit/(Loss) after tax	-	-	-	92,926	92,926	(11,781)	81,145
Foreign currency translation gain	-	-	3	-	3	-	3
Other comprehensive income	-	-	3	-	3	-	3
Total comprehensive income/(expenses)	-	-	3	92,926	92,929	(11,781)	81,148
<b>Transaction with Owners of the Company</b>							
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	-	-	-	-	-	170	170
Acquisitions of additional interests in subsidiaries from non-controlling interests:							
- Accretion of equity interests	-	-	-	-	-	(423)	(423)
- 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	-	-	-	-	-	294	294
Total transactions with Owners in their capacity as Owners	103,645	(1,533)	(3)	60	102,169	7,533	109,702
<b>As at 30 June 2022</b>	<b>196,935</b>	<b>4,671</b>	<b>-</b>	<b>177,253</b>	<b>378,859</b>	<b>626</b>	<b>379,485</b>
<b>As at 1 January 2020</b>	-	-	-	-	-	-	-
Profit after tax	-	-	-	-	-	-	-
<b>Transaction with Owners of the Company</b>							
Issuance of shares pursuant to conversion of ICPS	-	-	-	-	-	-	-
Total transactions with Owners in their capacity as Owners	-	-	-	-	-	-	-
<b>As at 30 June 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The amount of share capital of the Company as at 30 June 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 SIXTH QUARTER ENDED 30 JUNE 2022**

	<b>Current period to date ended 30.6.2022 RM'000</b>	<b>Preceding period to date ended 30.6.2021 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	97,892	-
Adjustments for:		
Depreciation of property, plant and equipment	12,950	-
Depreciation of right-of-use assets	511	-
Finance costs	41	-
Gain on reassessments and modifications of leases	(22)	-
Interest income	(505)	-
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	139,705	-
Changes in working capital:		
Inventories	179	-
Receivables	46,986	-
Payables	(60,359)	-
Cash generated from operations	126,511	-
Interest received	505	-
Income tax paid	(182)	-
<b>Net cash generated from operating activities</b>	<b>126,834</b>	<b>-</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of additional equity interest of subsidiaries	(50)	-
Acquisition of subsidiaries, net of cash acquired	(23,883)	-
Net cash outflow upon disposal of subsidiaries	(67)	-
Proceed from redemption of other investment	5,400	-
Purchase of property, plant and equipment	(134,131)	-
<b>Net cash used in investing activities</b>	<b>(152,731)</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Decrease in fixed deposits with the licensed banks	2,000	-
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	294	-
Payment of lease liabilities	(549)	-
<b>Net cash generated from financing activities</b>	<b>103,857</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>77,960</b>	<b>-</b>
<b>Effects of exchange rate changes</b>	<b>1</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>24,512</b>	<b>-</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b>102,473</b>	<b>-</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE SIXTH QUARTER ENDED 30 JUNE 2022 (CONT'D)**

	<b>Current year to date ended 30.6.2022 RM'000</b>	<b>Preceding period to date ended 30.6.2021 RM'000</b>
<b>Cash and cash equivalents comprised:</b>		
Cash and bank balances	102,473	-

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 SIXTH QUARTER ENDED 30 JUNE 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 SIXTH QUARTER ENDED 30 JUNE 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 SIXTH QUARTER ENDED 30 JUNE 2022**

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

- (a) A total of 153,293,851 ICPS were exercised during the financial period ended 30 June 2022.
- (b) Issuance of 608,217,400 new ordinary shares from the Rights Issue during the financial period ended 30 June 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 30 June 2022:**

	<b>Enterprise Resource Planning ("ERP") RM'000</b>	<b>Internet of Things ("IoT") RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>				
Total revenue	166,363	472,506	863	639,732
- Inter-segment revenue	(13,961)	(2,295)	(863)	(17,119)
Revenue from external parties	<u>152,402</u>	<u>470,211</u>	<u>-</u>	<u>622,613</u>
<b>Results</b>				
Segment profit/(loss)	15,894	83,201	(1,162)	97,933
Finance costs	(32)	(9)	-	(41)
Profit/(Loss) before taxation	<u>15,862</u>	<u>83,192</u>	<u>(1,162)</u>	<u>97,892</u>
Taxation	(5,946)	(10,781)	(20)	(16,747)
Net profit/(loss) for the financial period	<u>9,916</u>	<u>72,411</u>	<u>(1,182)</u>	<u>81,145</u>
Purchase of property, plant and equipment	78,108	56,023	-	134,131
Segment assets	<u>116,600</u>	<u>243,200</u>	<u>56,438</u>	<u>416,238</u>
<b>Non-cash expenses</b>				
Depreciation of property, plant and equipment	(8,665)	(4,285)	-	(12,950)
Depreciation of right-of-use assets	<u>(328)</u>	<u>(183)</u>	<u>-</u>	<u>(511)</u>



**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SIXTH QUARTER ENDED 30 JUNE 2022**

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

**(b) Segment analysis for the financial period to date ended 30 June 2021:**

	ERP RM'000	IoT RM'000	Others RM'000	Total RM'000
<b>Revenue</b>				
Total revenue	-	-	-	-
- Inter-segment revenue	-	-	-	-
Revenue from external parties	-	-	-	-
<b>Results</b>				
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	-	-	-	-
<b>Non-cash expenses</b>				
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 30 June 2022.

**A10. Subsequent Events**

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

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SIXTH QUARTER ENDED 30 JUNE 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:

	<b>Current quarter ended 30.6.2022 RM'000</b>	<b>Current period to date ended 30.6.2022 RM'000</b>
Revenue	40	154,040
Office rental expense	(33)	(198)

Revenue to Ageson Berhad group of companies.

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SIXTH QUARTER ENDED 30 JUNE 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 30.6.2022 RM'000	Comparative quarter ended 30.6.2021 RM'000	Changes (RM'000 / %)	Current period to date ended 30.6.2022 RM'000	Preceding period to date ended 30.6.2021 RM'000	Changes (RM'000 / %)
Revenue	176,173	-	- / -	622,613	-	- / -
Profit Before Tax ("PBT")	20,227	-	- / -	97,892	-	- / -
Profit After Tax	1,652	-	- / -	81,145	-	- / -
EPS Attributable to Owners of the Company (sen)	0.15	-	- / -	12.62	-	- / -

The Group registered revenue of RM176.2 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 30.6.2022 RM'000	Immediate preceding quarter ended 31.3.2022 RM'000	Changes (RM'000 / %)
Revenue	176,173	137,233	38,940 / 28
PBT	20,227	4,267	15,960 / >100
Profit After Tax	1,652	5,990	(4,338) / (72)
EPS Attributable to Owners of the Company (sen)	0.15	1.89	(1.74) / (92)

The Group reported PBT of RM20.2 million in current quarter compare with RM4.3 million in immediate preceding quarter, representing an increase of RM16.0 million or 61% in PBT. The higher PBT was mainly due to better performance contributed by ERP and IoT segments.

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SIXTH QUARTER ENDED 30 JUNE 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**

	<b>Current quarter ended 30.6.2022 RM'000</b>	<b>Current period to date ended 30.6.2022 RM'000</b>
Current period provision	7,497	8,240
Under provision in prior year	-	38
	<u>7,497</u>	<u>8,278</u>
Deferred taxation	11,078	8,469
	<u>18,575</u>	<u>16,747</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 SIXTH QUARTER ENDED 30 JUNE 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 30 June 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	72,986	-	

**(c) Proposed listing of ARB IOT Group Limited on NASDAQ Stock Exchange in New York**

On 22 February 2022, the ARB Berhad (“ARB” or the “Company”) announced its intention to list its internet of things (“IoT”) business on the National Association of Securities Dealers Automated Quotations (“NASDAQ”) Stock Exchange in New York.

On 24 June 2022, ARB IOT Group Limited, an indirect wholly-owned subsidiary of ARB (“AIGL”) had filed its draft Registration Statement on Form F-1 (draft prospectus) (i.e., the registration statement required to be filed for foreign companies to be listed on a United States of America (“USA”) stock exchange) to Securities Exchange Commission (“SEC”) in USA.

On 7 July 2022, AIGL had submitted the listing application to the NASDAQ Stock Exchange for the proposed listing of AIGL on the NASDAQ Stock Exchange.

On 12 August 2022, on behalf of the Board of Directors of ARB, TA Securities Holding Berhad (“TA Securities”) announced that the Company proposes to list its IoT business via a listing of and quotation for ordinary shares in AIGL (“Shares”) on the NASDAQ Stock Exchange in New York (“Proposed Listing of Subsidiary”).

The Proposed Listing of Subsidiary entails the initial public offering (“IPO”) of at least 1,000,000 new Shares (“Issue Shares”) representing approximately 9% of the enlarged issued share capital of AIGL after the IPO and up to 3,320,625 Issue Shares representing not more than 25% of the enlarged issued share capital of AIGL after the IPO (“Maximum Scenario”) on the NASDAQ Stock Exchange to new investors (“Proposed IPO”).

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SIXTH QUARTER ENDED 30 JUNE 2022**

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

**(c) Proposed listing of ARB IOT Group Limited on NASDAQ Stock Exchange in New York (Cont'd)**

The Issue Shares pursuant to the Proposed IPO will be issued at an issue price of at least United States Dollar (“USD”) 4 per Issue Share. Based on the indicative issue price of USD4 per Issue Share (or equivalent to Ringgit Malaysia (“RM”) 17.78<sup>(1)</sup> per Issue Share), the Proposed IPO is expected to raise a minimum gross proceed of USD4,000,000 (or equivalent to RM17,780,000). The final issue price of the Issue Shares will be determined after obtaining the regulatory approvals for the Proposed Listing of Subsidiary.

The Proposed Listing of Subsidiary and/or the Proposed IPO is subject to and conditional upon the following approvals being obtained from:

- (i) the shareholders of ARB for the Proposed Listing of Subsidiary at the extraordinary general meeting to be convened;
- (ii) the SEC for the Registration Statement on Form F-1 (prospectus);
- (iii) NASDAQ Stock Exchange for the Proposed IPO; and
- (iv) any other relevant authorities/parties’ approval, if required.

The Proposed Listing of Subsidiary will result in a dilution of ARB’s effective equity interest in AIGL from 100% to not less than 75% under the Maximum Scenario. Pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the highest percentage ratio applicable to the Proposed Listing of Subsidiary is 32.28%, calculated based on the audited consolidated net assets of ARB as at 31 December 2020.

**Note:**

- <sup>(1)</sup> *The exchange rate used for illustrative purposes is USD 1.00: RM 4.4450, derived from exchange rate based on Bank Negara Malaysia middle rate as at 5.00 p.m. on the 11 August 2022.*

**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 SIXTH QUARTER ENDED 30 JUNE 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.

	<b>Current quarter ended 30.6.2022</b>	<b>Comparative quarter ended 30.6.2021</b>	<b>Current period to date ended 30.6.2022</b>	<b>Preceding period to date ended 30.6.2021</b>
Profit attributable to Owners of the Company (RM'000)	1,843	-	92,926	-
Weighted average number of ordinary shares outstanding ('000)	1,216,435	-	736,051	-
Basic EPS (sen)	0.15	-	12.62	-

**(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:

	<b>Current quarter ended 30.6.2022</b>	<b>Comparative quarter ended 30.6.2021</b>	<b>Current period to date ended 30.6.2022</b>	<b>Preceding period to date ended 30.6.2021</b>
Profit attributable to Owners of the Company (RM'000)	1,843	-	92,926	-
Weighted average number of ordinary shares outstanding ('000)	1,216,435	-	736,051	-
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)	1,249,802	-	769,418	-
Diluted EPS (sen)	0.15	-	12.08	-

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 SIXTH QUARTER ENDED 30 JUNE 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**

	<b>Current quarter ended 30.6.2022 RM'000</b>	<b>Current period to date ended 30.6.2022 RM'000</b>
Depreciation of property, plant and equipment	(4,141)	(12,950)
Depreciation of right-of-use assets	(203)	(511)
Finance costs	(21)	(41)
Impairment loss on intangible assets	-	(30,752)
Interest income	195	505
Gain on reassessments and modifications of leases	-	22
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

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

**23 August 2022**