

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	As at 30.9.2022 RM'000	As at 30.6.2022 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	220,559	163,602
Right-of-use assets	1,790	1,994
Goodwill on consolidation	38,780	38,780
Other investments	4,360	4,360
	<u>265,489</u>	<u>208,736</u>
Current Assets		
Trade receivables	119,286	101,186
Other receivables, prepayments and deposits	24,416	5,431
Tax recoverable	35	44
Cash and cash equivalents	64,021	100,348
	<u>207,758</u>	<u>207,009</u>
TOTAL ASSETS	<u>473,247</u>	<u>415,745</u>
EQUITY AND LIABILITIES		
Share capital	196,935	196,935
Irredeemable convertible preference shares ("ICPS")	4,671	4,671
Foreign exchange reserve	195	-
Retained profits	178,802	175,625
Equity attributable to owners of the Company	<u>380,603</u>	<u>377,231</u>
Non-controlling interests	805	629
Total Equity	<u>381,408</u>	<u>377,860</u>
Non-Current Liabilities		
Lease liabilities	1,060	1,231
Deferred tax liabilities	15,812	15,800
	<u>16,872</u>	<u>17,031</u>
Current Liabilities		
Trade payables	30,386	700
Other payables and accruals	35,359	11,255
Lease liabilities	749	774
Current tax liability	8,473	8,125
	<u>74,967</u>	<u>20,854</u>
Total Liabilities	<u>91,839</u>	<u>37,885</u>
TOTAL EQUITY AND LIABILITIES	<u>473,247</u>	<u>415,745</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.31</u>	<u>0.31</u>
Number of outstanding ordinary shares in issue ('000)	<u>1,216,435</u>	<u>1,216,435</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 30 June 2022 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 FIRST QUARTER ENDED 30 SEPTEMBER 2022

	Current quarter ended 30.9.2022 RM'000	Comparative quarter ended 30.9.2021 RM'000	Current period to date ended 30.9.2022 RM'000	Preceding period to date ended 30.9.2021 RM'000
Revenue	67,841	-	67,841	-
Cost of sales	(54,456)	-	(54,456)	-
Gross profit	13,385	-	13,385	-
Other operating incomes	241	-	241	-
Administrative expenses	(9,870)	-	(9,870)	-
Other operating expenses	-	-	-	-
Profit from operations	3,756	-	3,756	-
Finance costs	(19)	-	(19)	-
Profit before taxation	3,737	-	3,737	-
Taxation	(384)	-	(384)	-
Profit for the period	3,353	-	3,353	-
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Gain on foreign currency translation	195	-	195	-
Other comprehensive income, net of tax	195	-	195	-
Total comprehensive income for the period	3,548	-	3,548	-
Profit attributable to:				
Owners of the Company	3,177	-	3,177	-
Non-controlling interests	176	-	176	-
	3,353	-	3,353	-
Total comprehensive income attributable to:				
Owners of the Company	3,372	-	3,372	-
Non-controlling interests	176	-	176	-
	3,548	-	3,548	-
Earnings per share attributable to Owners of the Company (sen):				
Basic	0.26	-	0.26	-
Diluted	0.25	-	0.25	-

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 30 June 2022 and the accompanying explanatory notes to the interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

	Attributable To Owners Of The Company				Non-controlling Interests	Total Equity
	Share Capital	ICPS	Foreign Exchange Reserve	Retained Earnings		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 July 2022	196,935	4,671	-	175,625	629	377,860
Profit after tax	-	-	-	3,177	176	3,353
Foreign currency translation gain	-	-	195	-	-	195
Total comprehensive income	-	-	195	3,177	176	3,548
As at 30 September 2022	196,935	4,671	195	178,802	805	381,408
As at 1 January 2021	-	-	-	-	-	-
Profit after tax	-	-	-	-	-	-
Foreign currency translation loss	-	-	-	-	-	-
Total comprehensive expenses	-	-	-	-	-	-
As at 30 September 2021	-	-	-	-	-	-

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 30 June 2022 and the accompanying explanatory notes attached to the interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

	Current period to date ended 30.9.2022 RM'000	Preceding period to date ended 30.9.2021 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	3,737	-
Adjustments for:		
Depreciation of property, plant and equipment	6,844	-
Depreciation of right-of-use assets	203	-
Finance costs	19	-
Interest income	(241)	-
Operating profit before changes in working capital	10,562	-
Changes in working capital:		
Receivables	(22,084)	-
Payables	21,678	-
Cash generated from operations	10,156	-
Interest received	241	-
Income tax paid	(15)	-
Net cash generated from operating activities	10,382	-
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(46,689)	-
Net cash used in investing activities	(46,689)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in fixed deposits with the licensed banks	(7,596)	-
Payment of lease liabilities	(215)	-
Net cash used in financing activities	(7,811)	-
Net decrease in cash and cash equivalents	(44,118)	-
Effects of exchange rate changes	195	-
Cash and cash equivalents at beginning of the financial period	100,348	-
Cash and cash equivalents at end of the financial period	56,425	-
Cash and cash equivalents comprised:		
Fixed deposits with licenced banks	7,596	-
Cash and bank balances	56,425	-
	64,021	-

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 30 June 2022 and the accompanying explanatory notes to the interim financial report.

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 30 June 2022. 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 30 June 2022.

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.

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 period ended 30 June 2022.

(a) 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*

The Group did not early adopt the above MFRSs, amendments to MFRSs and interpretations as they are not expected to have a significant effect on its consolidated financial statements.

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

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.

A6. 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 for the financial period under review.

A7. Dividends Paid

No dividends have been paid during the current quarter and financial period to date under review.

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

A8. Segmental Information

(a) Segment analysis for the financial period to date ended 30 September 2022:

	CRM RM'000	Platform RM'000	Cloud RM'000	Internet of Things ("IoT") RM'000	Others RM'000	Total RM'000
Revenue						
Total revenue	15,000	6	124	52,714	-	67,844
- Inter-segment revenue	-	-	(3)	-	-	(3)
Revenue from external parties	15,000	6	121	52,714	-	67,841
Results						
Segment (loss)/profit	1,923	3	(370)	2,329	(129)	3,756
Finance costs	-	-	(18)	(1)	-	(19)
(Loss)/Profit before taxation	1,923	3	(388)	2,328	(129)	3,737
Taxation	(3)	-	-	(381)	-	(384)
Net (loss)/profit for the financial period	1,920	3	(388)	1,947	(129)	3,353
Addition of property, plant and equipment	-	-	30,121	33,680	-	63,801
Segment assets	39,343	40	32,651	399,803	1,375	473,212
Non-cash expenses						
Depreciation of property, plant and equipment	(645)	-	(15)	(6,184)	-	(6,844)
Depreciation of right-of-use assets	-	-	(171)	(32)	-	(203)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

A8. Segmental Information (Cont'd)

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

	CRM RM'000	Platform RM'000	Cloud 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	-	-	-	-	-	-
Addition 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.

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

A9. Significant Event During The Financial Period

There was no significant event during the current quarter ended 30 September 2022.

A10. Subsequent Events

Save as disclosed in B5 and below, there were no material events subsequent to the reporting date up to 15 November 2022, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report.

ARB Cell Sdn Bhd, an indirect wholly-owned subsidiary of the Company, had on 1 November 2022, entered into a shareholders agreement with BFI Asia in relation to BFI Asia's subscription of 49% of equity interest in ARB Cloud Cosec Sdn Bhd, an indirect wholly-owned subsidiary of the Company.

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

A11. Changes in Contingent Liabilities and Assets

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

A12. Capital Commitments

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

A13. Significant Related Party Transactions

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

	Current quarter ended 30.9.2022 RM'000	Current period to date ended 30.9.2022 RM'000
Provision of information technology service fee: - Ageson SMSGMBH Sdn. Bhd.	61	61
Office rental expense: -VNH One Sdn. Bhd.	(33)	(33)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 30.9.2022 RM'000	Comparative quarter ended 30.9.2021 RM'000	Changes (RM'000 / %)	Current period to date ended 30.9.2022 RM'000	Preceding period to date ended 30.9.2021 RM'000	Changes (RM'000 / %)
Revenue	67,841	-	- / -	67,841	-	- / -
Profit Before Tax ("PBT")	3,737	-	- / -	3,737	-	- / -
Profit After Tax	3,353	-	- / -	3,353	-	- / -
EPS Attributable to Owners of the Company (sen)	0.26	-	- / -	0.26	-	- / -

The Group registered revenue of RM67.8 million in current quarter was mainly contributed by revenue generated from CRM segment and smart agriculture, smart home and building and gadget distribution in IoT segments.

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

	Current quarter ended 30.9.2022 RM'000	Immediate preceding quarter ended 30.6.2021 RM'000	Changes (RM'000 / %)
Revenue	67,841	147,564	(79,723) / (54)
PBT	3,737	18,532	(14,795) / (80)
Profit After Tax	3,353	27	3,326 / >100
EPS Attributable to Owners of the Company (sen)	0.26	0.02	0.24 / >100

The Group reported PBT of RM3.7 million in current quarter compare with RM18.5 million in immediate preceding quarter, representing a decrease of RM14.8 million or 80% in PBT. The lower PBT of the Group primarily due to the lower revenue achieved, as a result of the absence of sales from IoT system development for the current quarter. The higher PAT was mainly due to lower tax provision as a result of the utilisation of unabsorbed capital allowance for certain subsidiary companies.



ARB BERHAD

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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

B2. Group's Prospect

Recent new technology trends such as artificial intelligence (AI), cloud computing, 5G, robotic process automation (RPA), IoT and hyper-connectivity continue to transform businesses and drive companies to seek digital changes to meet evolving demands of customers. To follow the new technology trends, Malaysian Government continues to emphasise on the development of the digital economy through connectivity, investments in domestic technology-based companies and strengthened cybersecurity measures in Budget 2023. As a result, the Group will continue focus on CRM, Platform, Cloud and Smart IoT solutions segments to achieve sustainable grow of earnings in the future.

With the successful experience of venturing into Smart Agriculture following completion of fund raised from rights issue exercise in February 2022 and progressive manner in respective of the status of proposed listing of ARB IoT Group Limited on the National Association of Securities Dealers Automated Quotations ("NASDAQ") Stock Exchange in New York. The group will continue to accelerate the strategic plans to generate positive value for shareholders by actively exploring business opportunities and investment opportunities.

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 30.9.2022 RM'000	Current period to date ended 30.9.2022 RM'000
Current period provision	372	372
Deferred taxation	12	12
	<u>384</u>	<u>384</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.



ARB BERHAD

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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

B5. Corporate Proposal

(a) Proposed listing of ARB IOT Group Limited on NASDAQ Stock Exchange in New York ("Proposed Listing of Subsidiary")

On 22 February 2022, ARB Berhad ("ARB" or the "Company") announced its intention to undertake the Proposed Listing of Subsidiary.

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 National Association of Securities Dealers Automated Quotation ("NASDAQ") Stock Exchange in New Yoke 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 announced that the Company proposes to undertake the Proposed Listing of Subsidiary.

Proposed IPO of at least 1,200,000 new shares ("Issue Shares"), representing approximately 4.58% of the enlarged issued share capital of AIGL after the IPO in Minimum Scenario and up to 2,173,500 Issue Shares representing approximately 8.00% of the enlarged issued share capital of AIGL after the IPO in the Maximum Scenario on the NASDAQ Stock Exchange.

The Issue Shares pursuant to the Proposed IPO will be issued at an issue price of at least USD4 per Issue Share. The minimum issue price of USD4 per Issue Share was based on the minimum level of bid price (issue price) allowed for the listing of and quotation of the issue shares on the NASDAQ Stock Exchange for the IPO.

Based on the indicative issue price of USD4 per Issue Share (or equivalent to RM18.40¹ per Issue Share), the Proposed IPO is expected to raise a minimum gross proceed of USD4.80 million (or equivalent to RM22.09 million).

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 92% 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.

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

B5. Corporate Proposal (Cont'd)

(a) Proposed listing of ARB IOT Group Limited on NASDAQ Stock Exchange in New York ("Proposed Listing of Subsidiary") (Cont'd)

The Company had issued the circular to shareholders in relation to the Proposed Listing of Subsidiary on 6 October 2022 and obtained its shareholders' approval at the extraordinary general meeting held on 21 October 2022.

Note:

⁽¹⁾ The exchange rate used for illustrative purposes is USD 1.00: RM 4.601, derived from exchange rate based on Bank Negara Malaysia middle rate as at 5.00 p.m. on the 26 September 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.

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 30.9.2022	Comparative quarter ended 30.9.2021	Current period to date ended 30.9.2022	Preceding period to date ended 30.9.2021
Profit attributable to owners of the Company (RM'000)	3,177	-	3,177	-
Weighted average number of ordinary shares outstanding ('000)	1,216,435	-	1,216,435	-
Basic EPS (sen)	0.26	-	0.26	-



ARB BERHAD

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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

B8. Earnings per Share ("EPS") (Cont'd)

(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 30.9.2022	Comparative quarter ended 30.9.2021	Current period to date ended 30.9.2022	Preceding period to date ended 30.9.2021
Profit attributable to owners of the Company (RM'000)	3,177	-	3,177	-
Weighted average number of ordinary shares outstanding ('000)	1,216,435	-	1,216,435	-
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	-	1,249,802	-
Diluted EPS (sen)	0.25	-	0.25	-

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.

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 30 June 2022.



ARB BERHAD

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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

B10. Items included in the Statement of Profit or Loss

	Current quarter ended 30.9.2022 RM'000	Current period to date ended 30.9.2022 RM'000
Depreciation of property, plant and equipment	(6,844)	(6,844)
Depreciation of right-of-use assets	(203)	(203)
Finance costs	(19)	(19)
Interest income	241	241

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

15 November 2022