

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	As at 30.6.2023 RM'000	As at 30.6.2022 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	249,678	163,602
Right-of-use assets	1,520	1,994
Goodwill on consolidation	38,780	38,780
Other investments	-	4,360
	<u>289,978</u>	<u>208,736</u>
Current Assets		
Trade receivables	128,367	101,186
Other receivables, prepayments and deposits	5,797	5,431
Tax recoverable	53	44
Cash and cash equivalents	87,213	100,348
	<u>221,430</u>	<u>207,009</u>
TOTAL ASSETS	<u>511,408</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	1,275	-
Retained earnings	212,527	175,625
Equity attributable to owners of the Company	415,408	377,231
Non-controlling interests	7,627	629
Total Equity	<u>423,035</u>	<u>377,860</u>
Non-Current Liabilities		
Lease liabilities	734	1,231
Deferred tax liabilities	21,790	15,800
	<u>22,524</u>	<u>17,031</u>
Current Liabilities		
Trade payables	55,103	700
Other payables and accruals	9,870	11,255
Lease liabilities	808	774
Current tax liability	68	8,125
	<u>65,849</u>	<u>20,854</u>
Total Liabilities	<u>88,373</u>	<u>37,885</u>
TOTAL EQUITY AND LIABILITIES	<u>511,408</u>	<u>415,745</u>
Net assets per share attributable to owners of the Company (RM)	0.34	0.31
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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**

	Current quarter ended 30.6.2023 RM'000	Comparative quarter ended 30.6.2022 RM'000	Current period to date ended 30.6.2023 RM'000	Preceding period to date ended 30.6.2022 RM'000
Revenue	119,004	-	360,257	-
Cost of sales	(95,044)	-	(286,873)	-
Gross profit	23,960	-	73,384	-
Other operating incomes	877	-	1,975	-
Administrative expenses	(14,594)	-	(51,116)	-
Other operating expenses	(2,941)	-	(5,451)	-
Profit from operations	7,302	-	18,792	-
Finance costs	(18)	-	(74)	-
Profit before taxation	7,284	-	18,718	-
Taxation	968	-	1,823	-
Profit for the year	8,252	-	20,541	-
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Gain on foreign currency translation	1,493	-	1,333	-
Other comprehensive income, net of tax	1,493	-	1,333	-
Total comprehensive income for the year	9,745	-	21,874	-
Profit/(Loss) attributable to:				
Owners of the Company	11,514	-	19,346	-
Non-controlling interests	(3,262)	-	1,195	-
	8,252	-	20,541	-
Total comprehensive income/(expenses) attributable to:				
Owners of the Company	12,947	-	20,619	-
Non-controlling interests	(3,202)	-	1,255	-
	9,745	-	21,874	-
Earnings per share attributable to Owners of the Company (sen):				
Basic	0.95	-	1.59	-
Diluted	0.92	-	1.55	-

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 FOURTH QUARTER ENDED 30 JUNE 2023**

	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	-	-	-	19,346	1,195	20,541
Foreign currency translation gain	-	-	1,273	-	60	1,333
Other comprehensive income	-	-	1,273	-	60	1,333
Total comprehensive income	-	-	1,273	19,346	1,255	21,874
Transaction with Owners of the Company						
Disposal of subsidiaries	-	-	2	-	-	2
Acquisitions of additional interests in subsidiaries from non-controlling interests:						
- Accretion of equity interests	-	-	-	2,206	(2,451)	(245)
Effects of dilution of interests in subsidiaries	-	-	-	15,350	(15,350)	-
Ordinary shares capital contributed by non-controlling interests of subsidiaries	-	-	-	-	23,543	23,543
Non-convertible redeemable preference shares contributed by non-controlling interest of a subsidiary	-	-	-	-	1	1
Total transactions with owners in their capacity as owners	-	-	2	17,556	5,743	23,301
As at 30 June 2023	196,935	4,671	1,275	212,527	7,627	423,035
As at 1 January 2021	-	-	-	-	-	-
Profit after tax	-	-	-	-	-	-
Total comprehensive expenses	-	-	-	-	-	-
As at 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.

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 FOURTH QUARTER ENDED 30 JUNE 2023**

	Current period to date ended 30.6.2023 RM'000	Preceding period to date ended 30.6.2022 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	18,718	-
Adjustments for:		
Depreciation of property, plant and equipment	38,069	-
Depreciation of right-of-use assets	814	-
Finance costs	74	-
Gain on termination of leases	(16)	-
Interest income	(1,371)	-
Impairment loss on other investment	5,259	-
Impairment loss on receivables	191	-
Gain on disposal of subsidiaries	(556)	-
Operating profit before changes in working capital	61,182	-
Changes in working capital:		
Receivables	(27,896)	-
Payables	53,336	-
Cash generated from operations	86,622	-
Interest received	1,371	-
Income tax paid	(254)	-
Net cash generated from operating activities	87,739	-
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of additional equity interest of a subsidiary	(245)	-
Net cash outflow upon disposal of interest of subsidiaries	(126)	-
Purchase of property, plant and equipment	(124,520)	-
Net cash used in investing activities	(124,891)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in fixed deposits with the licensed banks	(32,113)	-
Ordinary share capital contributed by non-controlling interests of subsidiaries	23,544	-
Payment of lease liabilities	(860)	-
Net cash used in financing activities	(9,429)	-
Net decrease in cash and cash equivalents	(46,581)	-
Effects of exchange rate changes	1,333	-
Cash and cash equivalents at beginning of the financial year	100,348	-
Cash and cash equivalents at end of the financial year	55,100	-
Cash and cash equivalents comprised:		
Fixed deposits with licenced banks	32,113	-
Cash and bank balances	55,100	-
	87,213	-

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 FOURTH QUARTER ENDED 30 JUNE 2023

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 for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16 *Leases - Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Presentation of Financial Statements - Non-current Liabilities with Covenants*
- Amendments to MFRS 112 *Income Taxes - International Tax Reform—Pillar Two Model Rules*
- Amendments to MFRS 107 *Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements*

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2023

A2. Significant Accounting Policies (Cont'd)

(a) New/ Revised MFRSs, Amendments to MFRSs and Interpretations not adopted (Cont'd)

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.

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 FOURTH QUARTER ENDED 30 JUNE 2023

A8. Segmental Information

(a) Segment analysis for the financial year to date ended 30 June 2023:

	CRM RM'000	Platform RM'000	Cloud RM'000	Internet of Things ("IoT") RM'000	Others RM'000	Total RM'000
Revenue						
Total revenue	41,800	53	108,089	228,831	-	378,773
- Inter-segment revenue	(2,600)	(8)	(103)	(15,805)	-	(18,516)
Revenue from external parties	39,200	45	107,986	213,026	-	360,257
Results						
Segment profit/(loss)	7,354	(48)	1,051	11,428	(993)	18,792
Finance costs	-	-	(69)	(5)	-	(74)
Profit/(Loss) before taxation	7,354	(48)	982	11,423	(993)	18,718
Taxation	(2,427)	1	363	3,947	(61)	1,823
Net profit/(loss) for the financial year	4,927	(47)	1,345	15,370	(1,054)	20,541
Addition of property, plant and equipment	22,000	-	30,137	72,383	-	124,520
Segment assets	48,045	25	137,695	303,816	21,774	511,355
Non-cash expenses						
Depreciation of property, plant and equipment	(3,863)	-	(3,009)	(31,197)	-	(38,069)
Depreciation of right-of-use assets	-	-	(687)	(127)	-	(814)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2023

A8. Segmental Information (Cont'd)

(b) Segment analysis for the financial period to date ended 30 June 2022:

	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 FOURTH QUARTER ENDED 30 JUNE 2023

A9. Significant Event During The Financial Period

There was no significant event during the current quarter ended 30 June 2023.

A10. Subsequent Events

Save as disclosed in B5, there were no material events subsequent to the reporting date up to 30 August 2023, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report.

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 period to date were summarised as below:

	Current quarter ended 30.6.2023 RM'000	Current period to date ended 30.6.2023 RM'000
Provision of information technology service to Ageson Berhad	61	243
Office rental paid to VNH One Sdn. Bhd.	(33)	(132)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2023
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 30.6.2023 RM'000	Comparative quarter ended 30.6.2022 RM'000	Changes (RM'000 / %)	Current period to date ended 30.6.2023 RM'000	Preceding period to date ended 30.6.2022 RM'000	Changes (RM'000 / %)
Revenue	119,004	-	- / -	360,257	-	- / -
Profit Before Tax ("PBT")	7,284	-	- / -	18,718	-	- / -
Profit After Tax	8,252	-	- / -	20,541	-	- / -
EPS Attributable to Owners of the Company (sen)	0.95	-	- / -	1.59	-	- / -

The Group registered revenue of RM119.0 million in current quarter was mainly contributed by revenue generated from CRM segment, smart agriculture and gadget distribution in IoT segments.

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

	Current quarter ended 30.6.2023 RM'000	Immediate preceding quarter ended 31.3.2023 RM'000	Changes (RM'000 / %)
Revenue	119,004	85,774	33,230 / 39
PBT	7,284	2,869	4,415 / 154
Profit After Tax	8,252	4,847	3,405 / 70
EPS Attributable to Owners of the Company (sen)	0.95	0.13	0.82 / 631

The Group registered a revenue of RM119.4 million for current quarter as compare with RM85.8 million in immediate preceding quarter, representing an increase of RM33.2 million or 39% in revenue, the higher revenue achieved primarily due to the higher sales in the IoT segment.

The Group reported PBT of RM7.3 million in current quarter compare with RM2.9 million in immediate preceding quarter, representing an increase of RM4.4 million or 1.53 times in PBT. Despite the higher revenue achieved, the lower PBT was mainly due to the provision of impairment loss on other investments amounted to RM3.1 million for the current quarter under review.

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2023

B2. Group's Prospect

With the awareness of global challenges, particularly the ongoing experiencing of sustained inflation and high interest rates, became the main factor contributing to the limitation of fund allocated to enterprises' CAPEX investment from 2023 to 2024. The Group always aim to differentiate its systems and solutions. This differentiation is achieved by enhancing its competitive advantage and built up long-term relationship with existing customers.

In 2023, the Group invested in Artificial Intelligence Assets ("AI Assets") to develop the Intellectual Properties for system enhancement with AI technology purposes. These investments play important roles in retention of the Group's existing customers and also strengthen the Group's competitive advantage.

To generate sustainability and profitability cash flow, the Group will concentrate on resilience source of income with higher profit margins. This will be primarily driven by provision of system maintenance and upgrades to its existing customers in the future. Additionally, the Group has aggressively to venture into self-developed solutions and systems in order to meet particular customer needs and improve profitability in the long term.

Upon completion of the NASDAQ Stock Exchange in New York listing on April, 5 2023, the Group will establish a regional office in Singapore. The Group expects to enjoy regional IoT market share out of IoT Analytics' projected USD484 billion by 2027 [sources: <https://iot-analytics.com>] via implementation of the above business strategies and exploring business partners in global.

From the above perspective, the Group believes can achieve the commitment to shareholders by accelerating the strategic plan regionally to generate positive value of shareholders by exploring business opportunities and strategic mergers and acquisitions 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 30.6.2023 RM'000	Current period to date ended 30.6.2023 RM'000
Current period provision	(6,025)	201
Over provision in prior year	(2,002)	(8,013)
	<u>(8,027)</u>	<u>(7,812)</u>
Deferred taxation	7,059	5,989
	<u>(968)</u>	<u>(1,823)</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.

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2023

B5. Corporate Proposal

(a) Status of corporate proposal

There were no corporate proposals announced but not completed, as at the date of this report.

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 30.6.2023	Comparative quarter ended 30.6.2022	Current period to date ended 30.6.2023	Preceding period to date ended 30.6.2022
Profit attributable to owners of the Company (RM'000)	11,514	-	19,346	-
Weighted average number of ordinary shares outstanding ('000)	1,216,435	-	1,216,435	-
Basic EPS (sen)	0.95	-	1.59	-

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2023

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 30.6.2023	Comparative quarter ended 30.6.2022	Current period to date ended 30.6.2023	Preceding period to date ended 30.6.2022
Profit attributable to owners of the Company (RM'000)	11,514	-	19,346	-
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)	0.92	-	1.55	-

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 FOURTH QUARTER ENDED 30 JUNE 2023

B10. Items included in the Statement of Profit or Loss

	Current quarter ended 30.6.2023 RM'000	Current period to date ended 30.6.2023 RM'000
Depreciation of property, plant and equipment	(10,712)	(38,069)
Depreciation of right-of-use assets	(203)	(814)
Finance costs	(18)	(74)
Impairment loss on receivables	(191)	(191)
Impairment loss on other investments	(3,079)	(5,259)
Interest income	676	1,371
Gain on termination of leases	-	16
Gain on disposal of subsidiaries	556	556

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

30 August 2023