



ARB BERHAD

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	As at 30.09.2024 RM'000	As at 31.12.2023 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	19,444	97
Right-of-use assets	240	916
Goodwill on consolidation	-	31
	<u>19,684</u>	<u>1,044</u>
Current Assets		
Trade receivables	34,100	43,472
Other receivables, prepayments and deposits	166,629	152,392
Tax recoverable	-	32
Cash and cash equivalents	21,409	23,766
	<u>222,138</u>	<u>219,662</u>
TOTAL ASSETS	<u>241,822</u>	<u>220,706</u>
EQUITY AND LIABILITIES		
Share capital	201,606	199,673
Irredeemable convertible preference shares ("ICPS")	-	1,933
Reserves	4,173	1,808
	<u>205,779</u>	<u>203,414</u>
Equity attributable to owners of the Company	205,779	203,414
Non-controlling interests	-	1,574
Total Equity	<u>205,779</u>	<u>204,988</u>
Non-Current Liability		
Lease liabilities	118	241
	<u>118</u>	<u>241</u>
Current Liabilities		
Trade payables	32,488	11,463
Other payables and accruals	3,278	2,290
Lease liabilities	123	701
Current tax liability	36	1,023
	<u>35,925</u>	<u>15,477</u>
Total Liabilities	<u>36,043</u>	<u>15,718</u>
TOTAL EQUITY AND LIABILITIES	<u>241,822</u>	<u>220,706</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.16</u>	<u>0.16</u>
Number of outstanding ordinary shares in issue ('000)	<u>1,249,801</u>	<u>1,235,989</u>

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

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 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 THIRD QUARTER ENDED 30 SEPTEMBER 2024

	Current quarter ended 30.09.2024 RM'000	Comparative quarter ended 30.09.2023 RM'000	Current period to date ended 30.09.2024 RM'000	Preceding period to date ended 30.09.2023 RM'000
Revenue	34,100	-	39,597	-
Cost of sales	(32,451)	-	(37,150)	-
Gross profit	1,649	-	2,447	-
Other operating incomes	715	-	4,809	-
Administrative expenses	(1,041)	-	(2,540)	-
Other operating expenses	658	-	(5,986)	-
Profit/(Loss) from operations	1,981	-	(1,270)	-
Finance costs	(1)	-	(19)	-
Profit/(Loss) before tax	1,980	-	(1,289)	-
Taxation	(35)	-	(124)	-
Profit/(Loss) for the period	1,945	-	(1,413)	-
Other comprehensive (expenses)/income Items that may be reclassified subsequently to profit or loss				
(Loss)/Gain on foreign currency translation	(572)	-	3,853	-
Other comprehensive (expenses)/income, net of tax	(572)	-	3,853	-
Total comprehensive income for the period	1,373	-	2,440	-
Profit/(Loss) attributable to:				
Owners of the Company	1,945	-	(1,488)	-
Non-controlling interests	-	-	75	-
	1,945	-	(1,413)	-
Total comprehensive income attributable to:				
Owners of the Company	1,373	-	2,365	-
Non-controlling interests	-	-	75	-
	1,373	-	2,440	-
Earnings/(Loss) per share attributable to Owners of the Company (sen):				
Basic	0.16	-	(0.12)	-
Diluted	0.16	-	(0.12)	-

The financial year end of the Group has been changed from 30 June to 31 December. 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 2023 and the accompanying explanatory notes to the interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

	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 January 2024	199,673	1,933	(3,338)	5,146	203,414	204,988
(Loss)/Profit after tax	-	-	-	(1,488)	(1,488)	(1,413)
Foreign currency translation gain	-	-	3,853	-	3,853	3,853
Other comprehensive income	-	-	3,853	-	3,853	3,853
Total comprehensive income/(expenses)	-	-	3,853	(1,488)	2,365	2,440
Transaction with Owners of the Company						
Issuance of shares pursuant to conversion of ICPS	1,933	(1,933)	-	-	-	-
Effects of dilution of interests in subsidiaries	-	-	-	-	(1,649)	(1,649)
Total transactions with owners in their capacity as owners	1,933	(1,933)	-	-	(1,649)	(1,649)
As at 30 September 2024	201,606	-	515	3,658	205,779	205,779
As at 1 January 2023	-	-	-	-	-	-
Profit after tax	-	-	-	-	-	-
As at 30 September 2023	-	-	-	-	-	-

The financial year end of the Group has been changed from 30 June to 31 December. 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 2023 and the accompanying explanatory notes attached to the interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

	Current period to date ended 30.09.2024 RM'000	Preceding period to date ended 30.09.2023 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,289)	-
Adjustments for:		
Depreciation of property, plant and equipment	607	-
Depreciation of right-of-use assets	354	-
Finance costs	19	-
Interest income	(514)	-
Impairment loss on other investments	314	-
Impairment loss on receivables	13,413	-
Gain on disposal of subsidiaries, net	(4,120)	-
Gain on dilution of interest of subsidiaries, net	(7,741)	-
Operating profit before changes in working capital	1,043	-
Changes in working capital:		
Receivables	(178,853)	-
Payables	192,310	-
Cash generated from operations	14,500	-
Interest received	514	-
Income tax paid	(45)	-
Net cash generated from operating activities	14,969	-
CASH FLOW FROM INVESTING ACTIVITIES		
Net cash outflow upon disposal of interest of subsidiaries	(3)	-
Net cash outflow upon dilution of interest of subsidiaries	(800)	-
Purchase of property, plant and equipment	(20,000)	-
Net cash used in investing activities	(20,803)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Decrease in fixed deposits with the licensed banks	7,266	-
Payment of lease liabilities	(375)	-
Net cash generated from financing activities	6,891	-
Net increase in cash and cash equivalents	1,057	-
Effects of exchange rate changes	3,853	-
Cash and cash equivalents at beginning of the financial period	16,499	-
Cash and cash equivalents at end of the financial period	21,409	-
Cash and cash equivalents comprised:		
Cash and bank balances	21,409	-
	21,409	-

The financial year end of the Group has been changed from 30 June to 31 December. 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 2023 and the accompanying explanatory notes to the interim financial report.

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

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 2023. 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 2023.

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

A2. Significant Accounting Policies

The 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 2023.

(a) New/ Revised MFRSs, Amendments to MFRSs and Interpretations adopted

During the financial year, the Group have adopted the following new standards and amendments issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial period:

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 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures - Supplier Finance Arrangements*

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

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 2025

- Amendments to MFRS 121 *The Effect of Changes in Foreign Exchanges Rates - Lack of Exchangeability*

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. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

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. Material Changes in Estimates

There were no material changes in estimates of the amounts reported in prior financial years that have a material effect for the financial period to date under review.

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

A6. Changes in Debts and Equity Securities

Save for the below, 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.

- (a) During the financial period, the Company issued 13,811,830 new ordinary shares pursuant to the conversion of 193,369,528 Irredeemable Convertible Preference Shares ("ICPS") at a conversion price of RM0.14 each.

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 THIRD QUARTER ENDED 30 SEPTEMBER 2024

A8. Segmental Information

(a) Segment analysis for the financial period to date ended 30 September 2024:

	CRM RM'000	Platform RM'000	Cloud RM'000	Others RM'000	Total RM'000
Revenue					
Total revenue	6,200	31,018	2,403	150	39,771
- Inter-segment revenue	-	(6)	(18)	(150)	(174)
Revenue from external parties	6,200	31,012	2,385	-	39,597
Results					
Segment profit/(loss)	571	684	670	(3,195)	(1,270)
Finance costs	-	(1)	(18)	-	(19)
Profit/(Loss) before taxation	571	683	652	(3,195)	(1,289)
Taxation	(1)	-	(70)	(53)	(124)
Net profit/(loss) for the financial period	570	683	582	(3,248)	(1,413)
Addition of property, plant and equipment	-	20,000	-	-	20,000
Segment assets	9	22,882	38,775	180,156	241,822
Non-cash expenses					
Depreciation of property, plant and equipment	-	(555)	(52)	-	(607)
Depreciation of right-of-use assets	-	(10)	(344)	-	(354)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

A8. Segmental Information (Cont'd)

(b) Segment analysis for the financial period to date ended 30 September 2023:

	CRM RM'000	Platform RM'000	Cloud 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 30 June to 31 December. As such, there will no comparative financial information available for the preceding year corresponding period.

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

A9. Significant Event During The Financial Period

There were no significant event during the current quarter ended 30 September 2024.

A10. Material Events Subsequent to the End of the Financial Period

There is no material subsequent event from the end of the current quarter to the date of the interim financial report.

A11. Changes in the Composition of the Group

- (i) During the current financial year, ARB Digital Technology Sdn. Bhd. ("ARB Digital Technology"), an indirect wholly-owned subsidiary of the Company, and its subsidiaries have been diluted as other investment of the Group.
- (ii) During the current financial year, Youth Inspired Sdn. Bhd. ("Youth Inspired"), an indirect subsidiary of the Company, and its subsidiary have been diluted as other investment of the Group.
- (iii) During the current financial year, ARB Holdings Sdn. Bhd. ("ARB Holdings"), a direct subsidiary of the Company, and its subsidiary have been diluted to 9.1% as other investment of the Group.

Other than the above, there were no other material changes in the composition of the Group during the financial period under review.

A12. Changes in Contingent Liabilities and Assets

There were no material contingent liabilities or assets since the last audited financial statements for the financial period under review.

A13. Capital Commitments

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

A14. Significant Related Party Transactions

There were no material related party transactions during the current quarter under review.

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of Performance

The financial year end of the Group has been changed from 30 June to 31 December. 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 30.09.2024 RM'000	Comparative quarter ended 30.09.2023 RM'000	Changes (RM'000 / %)	Current period to date ended 30.09.2024 RM'000	Preceding period to date ended 30.09.2023 RM'000	Changes (RM'000 / %)
Revenue	34,100	-	- / -	39,597	-	- / -
Profit Before Tax ("PBT")/ Loss Before Tax ("LBT")	1,980	-	- / -	(1,289)	-	- / -
Profit/(Loss) After Tax	1,945	-	- / -	(1,413)	-	- / -
Earnings/(Loss) per Share Attributable to Owners of the Company (sen)	0.16	-	- / -	(0.12)	-	- / -

The Group registered revenue of RM34.1 million in current quarter was mainly contributed by revenue generated from Platform and CRM segment.

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

	Current quarter ended 30.09.2024 RM'000	Immediate preceding quarter ended 30.06.2024 RM'000	Changes (RM'000 / %)
Revenue	34,100	3,116	30,984 / 994
Profit/(Loss) Before Tax	1,980	(3,528)	5,508 / >100%
Profit/(Loss) After Tax	1,945	(3,593)	5,538 / >100%
EPS/(Loss per Share) Attributable to Owners of the Company (sen)	0.16	(0.28)	0.44 / >100%

In the current quarter, the Group reported revenue of RM34.1 million compare with revenue of RM3.1 million in immediate preceding quarter, representing an increase of RM31.0 million or 10.9 times in revenue. The higher revenue achieved mainly attributed to higher sales in the Platform segment.

In the current quarter, the Group recorded a PBT of RM2.0 million, a significant increase from the LBT of RM3.5 million in immediate preceding quarter, representing an increase of RM5.5 million in PBT. The profit mainly due to the gain on disposal of subsidiaries and gain on dilution of interest of subsidiaries for the current quarter under review.

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

B2. Group's Prospect

By collaborating with strategic partnerships, the Group can leverage their specialized expertise and technologies. This enhances the Group's competitive advantage by integrating advanced solutions and expanding its service offerings. These partnerships allow the Group to tap into new markets and customer segments more effectively. The Group is actively seeking opportunities across different industries. This diversification strategy helps mitigate risks associated with dependence on a single market and opens up new revenue streams. The Group's mergers and acquisitions strategy focuses on acquiring companies that offer innovative solutions in areas like analytics, commerce, IoT machines, and integration. This not only accelerates the Group's entry into new business areas but also enhances its technological capabilities and product portfolio. By expanding horizontally, the Group aims to broaden its market presence and product offerings. This involves entering new business domains that complement its existing operations, thereby creating synergies and driving overall growth.

The Industrial Revolution 4.0 is driven by technologies such as Artificial Intelligence ("AI"), IoT machines, robotics, and advanced analytics, which are transforming industries and business models. The Group's involvement in AI research & development projects aims to innovate and enhance AI technologies to create high-value products. This includes developing advanced algorithms, machine learning models, and AI-driven applications that can provide significant competitive advantages. By integrating AI into our products, the Group can offer smarter, more efficient solutions that meet the evolving needs of our customers. By investing in these technologies, the Group aims to secure additional revenue streams. The adoption of AI, cloud computing, 5G, robotic process automation, IoT machines, and hyper-connectivity allows the Group to offer innovative solutions that cater to the digital transformation needs of their customers. This not only enhances customer satisfaction but also opens up new business opportunities and revenue channels. Overall, the Group's strategic focus on AI and other emerging technologies positions it well to capitalize on the opportunities presented by Industry Revolution 4.0, driving growth and innovation in the local and ASEAN markets.

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 30.09.2024 RM'000	Current period to date ended 30.09.2024 RM'000
Current period provision	35	125
Over provision in prior period	-	(1)
	<u>35</u>	<u>124</u>
Deferred taxation	-	-
	<u>35</u>	<u>124</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 THIRD QUARTER ENDED 30 SEPTEMBER 2024

B5. Status of Corporate Proposals Announced

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. Dividend Proposed or Declared

No dividend has been recommended by the Board of Directors for the current quarter under review.

B8. Earnings per Share ("EPS")/ (Loss per Share)

(a) Basic and Diluted EPS/ (Loss per Share)

The basic and diluted EPS/loss per share are of the Group is calculated based on the profit/(loss) attributable to owners (ordinary equity holders) of the Company divided by the weighted average number of ordinary shares in issue.

	Current quarter ended 30.09.2024	Comparative quarter ended 30.09.2023	Current period to date ended 30.09.2024	Preceding period to date ended 30.09.2023
Profit/(Loss) attributable to owners of the Company (RM'000)	1,945	-	(1,488)	-
Weighted average number of ordinary shares outstanding ('000)	1,249,801	-	1,248,915	-
Basic EPS/(Loss per Share) (sen)	0.16	-	(0.12)	-
Diluted EPS/(Loss per Share) (sen)	0.16	-	(0.12)	-

B9. Auditors' Report on Preceding Annual Financial Statements

The auditor has expressed the basis for qualified opinion in their independent auditors' report to the members of the company for the financial year ended 31 December 2023.

Kindly refer to the Group's audited financial statement for more details on the auditors' report as well as the relevant announcement to Bursa relating to the Audit.



**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2024**

B10. Items included in the Statement of Profit or Loss

	Current quarter ended 30.09.2024 RM'000	Current period to date ended 30.09.2024 RM'000
Depreciation of property, plant and equipment	(555)	(607)
Depreciation of right-of-use assets	(10)	(354)
Finance costs	(1)	(19)
Impairment loss on receivables	(9,700)	(13,413)
(Reversal of impairment loss)/Impairment loss on other investments	97	(314)
Gain on dilution of interest of subsidiaries	10,261	7,741
Interest income	107	514
Gain on disposal of subsidiaries	432	4,120

**By Order of the Board,
Hong Zi Shen
Executive Director**

29 November 2024