



SEDANIA INNOVATOR BERHAD
[Registration No. 201301044527 (1074350-A)]
(“SIB” OR THE “COMPANY”)

**INTERIM FINANCIAL REPORT FOR THE
SECOND (2nd) QUARTER ENDED 30 JUNE 2022**

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2022

	Quarter Ended			Year-To-Date Ended		
	30 Jun 2022 RM'000	30 Jun 2021 RM'000	Changes %	30 Jun 2022 RM'000	30 Jun 2021 RM'000	Changes %
Revenue	9,084	10,836	(16)	18,123	27,904	(35)
Other income	2,587	1,555	66	3,281	2,047	60
Cost of sales	(5,581)	(4,724)	18	(10,331)	(12,715)	(19)
Administration expenses	(4,677)	(4,167)	12	(8,721)	(8,623)	1
Profit/(Loss) from operations	1,413	3,500	(60)	2,352	8,613	(73)
Finance costs	(94)	(49)	92	(204)	(79)	>100
Share of result of associates, net of tax	-	-	-	-	-	-
Profit/(Loss) before taxation	1,319	3,451	(62)	2,148	8,534	(75)
Taxation	(663)	(236)	>100	(982)	(427)	>100
Profit/(Loss) for the period, representing total comprehensive income/(loss)	656	3,215	(80)	1,166	8,107	(86)
NET PROFIT/(LOSS) ATTRIBUTABLE TO:						
- Owners of the parent	530	2,466	(79)	813	6,675	(88)
- Non-controlling interests	126	749	(83)	353	1,432	(75)
	656	3,215	(80)	1,166	8,107	(86)
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:						
- Owners of the parent	530	2,466	(79)	813	6,675	(88)
- Non-controlling interests	126	749	(83)	353	1,432	(75)
	656	3,215	(80)	1,166	8,107	(86)
Weighted average number of ordinary shares ('000)	347,149	311,008	12	347,149	311,008	12
Earnings per share attributable to the owners of the parent (Sen):						
- Basic	0.15	0.79	(81)	0.23	2.15	(89)
- Diluted	0.15	0.79	(81)	0.23	2.14	(89)

(The unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.)

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

	Unaudited as at 30 Jun 2022 RM'000	Audited as at 31 Dec 2021 RM'000
NON-CURRENT ASSET		
Property, plant and equipment	3,412	3,496
Right-of-use assets	1,178	971
Lease receivables	15,525	14,905
Deferred tax asset	407	407
Investment in associates	436	-
	<u>20,958</u>	<u>19,779</u>
CURRENT ASSETS		
Receivables, deposit & prepayments	13,402	9,913
Lease receivables	309	1,710
Inventories	5,975	7,094
Short term funds	6,038	6,799
Cash and bank balances	4,482	6,508
Current tax asset	40	53
	<u>30,246</u>	<u>32,077</u>
TOTAL ASSETS	<u>51,204</u>	<u>51,856</u>
EQUITY		
Share capital	65,649	65,649
Reserves	(28,523)	(29,345)
Non-controlling interest	4,000	4,627
TOTAL EQUITY	<u>41,126</u>	<u>40,931</u>
NON-CURRENT LIABILITIES		
Bank borrowing	3,313	3,355
Lease liabilities	514	542
Deferred tax liabilities	2	2
	<u>3,829</u>	<u>3,899</u>
CURRENT LIABILITIES		
Payables, accruals & other current liabilities	3,032	4,341
Lease liabilities	777	539
Bank borrowing	2,297	1,748
Current tax liability	143	398
	<u>6,249</u>	<u>7,026</u>
TOTAL LIABILITIES	<u>10,078</u>	<u>10,925</u>
TOTAL EQUITY AND LIABILITIES	51,204	51,856
Weighted average number of ordinary shares ('000)	347,189	329,247
NET ASSETS PER SHARE (Sen)	11.85	12.43

(The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2022**

	Share Capital	ESOS Reserve	Reorganisation Reserve	Retained earnings	Total	Non- controlling interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year-to-date ended 30 June 2022							
Balance as at 1 January 2022	65,649	50	(24,439)	(4,956)	36,304	4,627	40,931
Total comprehensive income	-	-	-	813	813	353	1,166
Transactions with owners:							
Share options vested under ESOS	-	9	-	-	9	-	9
Dividends	-	-	-	-	-	(980)	(980)
Balance as at 30 June 2022	65,649	59	(24,439)	(4,143)	37,216	4,000	41,126
Preceding year corresponding period ended 30 June 2021							
Balance as at 1 January 2021	52,895	120	(24,439)	(13,255)	15,321	2,606	17,927
Total comprehensive income	-	-	-	6,675	6,675	1,432	8,107
Transactions with owners:							
Issuance of shares: Private Placement	12,451	-	-	-	12,451	-	12,451
Proceeds from ESOS	303	(115)	-	-	188	-	188
Share options granted under ESOS	-	12	-	-	12	-	12
Balance as at 30 June 2021	65,649	17	(24,439)	(6,580)	34,647	4,038	38,685

(The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2022

	Current year to date 30 Jun 2022 RM'000	Preceding year to date 30 Jun 2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,148	8,534
Adjustments for:		
Depreciation of property, plant and equipment	148	198
Depreciation of right-of-use assets	363	138
Share options vested under ESOS	9	47
Interest expense	174	73
Interest expense on lease liabilities	30	6
Income distribution from short term funds	(44)	(14)
Interest income from finance lease	(928)	(1,091)
Impairment losses on trade & finance lease receivables	-	1,468
Reversal of impairment losses on trade receivables	(2,202)	(1,000)
Unrealised loss on foreign exchange	-	1
Operating (loss)/profit before working capital changes	(302)	8,360
Changes in working capital:		
Trade and other receivables	(3,568)	3,443
Inventory	1,119	(964)
Lease receivables	1,920	(10,376)
Trade and other payables	2,007	(125)
	1,478	(8,022)
Cash generated in operations	1,176	338
Tax paid	(982)	(427)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	194	(89)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(64)	(80)
Income distribution received from short term funds	44	14
Investment in a subsidiary	-	(11,240)
Investment in associate	(436)	(333)
Unrealised loss on foreign exchange	-	(1)
Payment to ultimate holding company in respect of profit guarantee	(1,938)	(1,938)
NET CASH USED IN INVESTING ACTIVITIES	(2,394)	(13,578)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowing	1,130	2,412
Repayment of term loan	(173)	(117)
Interest on term loan	(137)	(73)
Repayment of lease liabilities	(361)	(129)
Interest on lease liabilities	(30)	(6)
Interest paid on letter of credit and revolving credit	(36)	-
Proceeds from issuance of shares	-	12,638
Dividend paid	(980)	-
NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES	(587)	14,725
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(2,787)	1,058

CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	13,307	13,393
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	10,520	14,451
Cash and cash equivalents comprised the following:		
Cash and bank balances	4,482	4,753
Short term funds	6,038	9,698
	<u>10,520</u>	<u>14,451</u>

(The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL REPORT FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2022

A: EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022.

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting, Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021, which have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

A2. Significant Accounting Policies

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2021 except for the adoption of the following standards that became effective for financial period beginning 1 January 2022:

Title	Effective Date
Amendments to MFRS1 <i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)</i>	1 January 2022
Amendments to MFRS 3 <i>Business Combinations - Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 9, <i>Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)</i>	1 January 2022
Amendments to Illustrative Examples accompanying MFRS 16, <i>Leases (Annual Improvements to MFRS Standards 2018-2020)</i>	1 January 2022
Amendments to MFRS 116, <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 141, <i>Agriculture (Annual Improvements to MFRS Standards 2018-2020)</i>	1 January 2022

The adoption of the above standards does not have any significant impacts to the current financial period.

Standards issued but not yet effective

The Group has not adopted the following pronouncements that have been issued but not yet effective:

Title	Effective Date
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for future financial years.

A3. Auditors' report of preceding annual financial statements

There was no qualification to the audited financial statements of the Group for the financial year ended ("FYE") 31 December 2021.

A4. Seasonal or cyclical factors

The business operations of the Group during the financial period under review have not been materially affected by any seasonal or cyclical factors.

A5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the quarter under review.

A6. Material changes in estimates

Not applicable as there were no estimates reported in the prior financial years.

A7. Debt and equity securities

There was no issuance, cancellation, repurchases, resale and repayments of debt and equity securities in the current quarter and financial period ended 30 June 2022.

A8. Segmental information

For management purposes, the Group is organised into five (5) operating segments which reflect the internal organisational and management structure according to the nature of the products and services provided. We measure the results of our segments using, among other measures, each segment's net revenue and operating income, which includes certain corporate overhead allocations.

- a) Sustainable Healthcare
Provision of consumer products specialising in healthcare, personal care, household as well as baby and childcare products; and health technologies specialising in preventative healthcare technology solutions.
- b) Sustainable Energy
Provision of green technology and internet of things (“IoT”) solutions for sustainable and environmentally friendly products and services.
- c) Financial Technology (“FinTech”)
Provision of financial technology solutions for the banking industry.
- d) Telco Technology (“TelcoTech”)
Providing the technology on Airtime sharing for telecommunication providers.
- e) Others
Others mainly comprise provision of big data analytics services and operations relating to investment holding.

Segment assets and liabilities exclude current and deferred tax assets and liabilities.

The Group’s segmental analysis by operating segments are as follows:

	3 months ended		6 months ended	
	30 Jun 2022 RM'000	30 Jun 2021 RM'000	30 Jun 2022 RM'000	30 Jun 2021 RM'000
Segment revenue				
Sustainable Healthcare	7,104	6,402	14,427	11,739
Sustainable Energy	124	2,744	179	12,906
FinTech	1,203	1,117	2,350	2,081
TelcoTech	653	573	1,167	1,168
Others	-	-	-	10
Total revenue	9,084	10,836	18,123	27,904
Segment operating profit/(loss) before tax				
Sustainable Healthcare	854	1,722	1,568	3,266
Sustainable Energy	714	1,764	663	5,432
FinTech	371	322	785	464
TelcoTech	(195)	138	(214)	293
Others	(425)	(495)	(654)	(921)
Operating profit before tax	1,319	3,451	2,148	8,534

	30 Jun 2022 RM'000	30 Jun 2021 RM'000
Segment Assets		
Sustainable Healthcare	16,174	12,903
Sustainable Energy	22,587	19,969
FinTech	5,010	1,835
TelcoTech	3,837	4,329
Others	3,149	10,641
Total Assets	50,757	49,677
Segment Liabilities		
Sustainable Healthcare	5,540	4,245
Sustainable Energy	2,483	2,916
FinTech	287	290
TelcoTech	1,385	1,533
Others	238	2,101
Total Liabilities	9,933	11,085

The Group's revenue based on geographic location of its customers are as follows:-

	3 months ended		6 months ended	
	30 Jun 2022 RM'000	30 Jun 2021 RM'000	30 Jun 2022 RM'000	30 Jun 2021 RM'000
Malaysia	7,377	8,732	14,541	24,911
Asian countries other than Malaysia	643	629	1,537	1,259
Europe	908	1,290	1,820	1,490
Others	156	185	225	244
Total	9,084	10,836	18,123	27,904

Year to date revenue from Malaysia, Asian countries other than Malaysia, Europe and Others contributed to approximately 80.23%, 8.48%, 10.05% and 1.24% respectively of the Group's total revenue.

A9. Valuation of property, plant and equipment

The Group has not carried out any valuation of its property, plant and equipment in the current quarter.

A10. Capital commitment

There was no capital commitment recognised by the Group for the current quarter.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group in the current quarter.

A12. Contingent liabilities and contingent assets

There were no changes in contingent liabilities or contingent assets since the last annual reporting period date up to the date of this report.

A13. Material events subsequent to the end of the quarter

Save as disclosed in Note B6, there were no other material events subsequent to the end of the current quarter and financial year-to-date that have not been reflected in this interim financial report.

A14. Significant related party transaction

Save as disclosed, there was no significant related party transaction entered into during the current quarter.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Group's Financial Performance Review and Segmental Analysis

Overall review of the Group's financial performance

	3 months ended			6 months ended		
	30 Jun 2022 RM'000	30 Jun 2021 RM'000	Changes %	30 Jun 2022 RM'000	30 Jun 2021 RM'000	Changes %
Revenue	9,084	10,836	(16)	18,123	27,904	(35)
Operating Profit	1,413	3,500	(60)	2,352	8,613	(73)
Profit Before Interest and Tax	1,413	3,500	(60)	2,352	8,613	(73)
Profit Before Tax	1,319	3,451	(62)	2,148	8,534	(75)
Profit After Tax for the Period	656	3,215	(80)	1,166	8,107	(86)
Profit After Tax & Attributable to Ordinary Equity Holders of the Parent	530	2,466	(79)	813	6,675	(88)

(i) Statement of Profit and Loss and Other Comprehensive Income

Group revenue for 2Q 2022 was RM9.08 million, a decrease of 16% from RM10.84 million in 2Q 2021. This was mainly due to lower contributions from the Sustainable Energy segment during the quarter under review compared to the preceding year corresponding quarter.

Consequently, the Group's operating profit before tax decreased by RM2.13 million or 62% as compared to 2Q 2021.

Group profit after tax in 2Q 2022 was RM0.66 million compared to a profit after tax of RM3.22 million in 2Q 2021.

A segmental breakdown and analysis by operating segments are provided under item A8 and "Segmental Analysis" below.

(ii) Statement of Financial Position

As at 30 June 2022, total equity attributable to the owners of the Company was RM41.13 million as compared to RM40.93 million as at 31 December 2021.

Total assets decreased to RM51.20 million in 30 June 2022 compared RM51.86 million in 31 December 2021. This was mainly due to the decreased in inventories of approximately 15.77%, but offset by increased in total receivables, deposit & prepayments of 35.19% as compared to 31 December 2021.

Total liabilities decreased from RM10.93 million as of 31 December 2021 to RM10.08 million as of 30 June 2022. The decrease in total liabilities was driven mainly by the decrease in trade and other payables and current tax liability in the current period.

(iii) Statement of Cash Flows

The Group recorded a net cash outflow of RM2.79 million as at 30 June 2022. As at 30 June 2022, the Group had short-term deposits and bank balances of RM10.52 million, borrowings of RM5.61 million and lease liabilities of RM1.29 million.

For the six (6) months ended 30 June 2022, the net cash generated from operating activities of the Group was RM0.19 million as compared to net cash used of RM0.09 million in the previous corresponding period in 2021.

Net cash used in investing activities was RM2.39 million in the six (6) months ended 30 June 2022, as compared to RM13.58 used in the previous corresponding period in 2021.

Net cash used financing activities was RM0.59 million during the period against RM14.73 million generated from the corresponding period in 2021.

Segmental analysis

a. Current quarter ended 30 June 2022 (“2Q 2022”) compared with the previous corresponding quarter ended 30 June 2021 (“2Q 2021”):

Sustainable Healthcare

In 2Q 2022, Sustainable Healthcare segment revenue was RM7.10 million, an increase of 10.97% or RM0.7 million compared to 2Q 2021.

The segment recorded an operating profit before tax of RM0.85 million in the current quarter as compared to segment operating profit before tax of RM1.72 million in 2Q 2021. The decrease was mainly due to higher cost of sales, marketing & promotion expenses as well as employee benefit expenses due to increased staff to support business growth, office facilities and related expenses.

Sustainable Energy

The Sustainable Energy segment recorded a revenue of RM0.12 million in 2Q 2022 as compared to RM2.74 million in 2Q 2021. The lower revenue recorded was mainly due to no new sites completed compared to 2Q 2021. Revenue from this segment is a continuation of existing maintenance and servicing contracts with a partner for Green Technology solutions in providing energy-saving solutions for a financial institution and a telecommunications company. A one-time consultation income of about RM71,000 was also reported in the current quarter.

The segment recorded an operating profit before tax of RM0.71 million in 2Q 2022 as compared to segment operating profit before tax of RM1.76 million in 2Q 2021.

FinTech

In 2Q 2022, FinTech segment revenue was RM1.2 million, an increase of 8% as compared to 2Q 2021. The increase was mainly contributed by the high traffic from its Tawarruq platform as compared to 2Q 2021.

The segment recorded an operating profit before tax of RM0.37 million in the current quarter, as compared to a RM0.32 operating profit before tax in 2Q 2021.

TelcoTech

TelcoTech platform recorded a revenue of RM0.65 million in 2Q 2022, an increase of 13.96% from the same period last year.

However, the segment recorded an operating loss before tax of RM0.19 million in 2Q 2021 as compared to RM0.14 million operating profit before tax in 2Q 2021 due to common operating expenses/indirect cost allocated on a reasonable basis to this segment for whose benefit the expense was incurred.

Others

This segment comprises operations relating to investment holding company.

The segment recorded a segment operating loss before tax of RM0.43 million in 2Q 2022 as compared to a segment operating loss of RM0.49 million in 2Q 2021. This was due to common operating expenses/indirect cost allocated on a reasonable basis to this segment for whose benefit the expense was incurred.

B2. Comparison with immediate preceding quarter's results

	Quarter ended		Changes %
	30 Jun 2022 RM'000	31 Mar 2022 RM'000	
Revenue	9,084	9,040	1
Operating Profit Before Interest and Tax	1,413	939	50
Profit Before Tax	1,319	829	59
Profit After Tax for the Period	656	510	29
Profit After Tax and Non-controlling Interest For the Period	530	283	87

Revenue for the quarter ended 30 June 2022 increased by 1% as compared to immediate preceding quarter ended 31 March 2022. The following table shows net revenue by segment for quarter ended 30 June 2022 compared to the preceding quarter ended 31 March 2022.

	30 Jun 2022 RM'000	31 Mar 2022 RM'000	Changes + / (-) %
Segment revenue			
Sustainable Healthcare	7,104	7,323	(3)
Sustainable Energy	124	56	>100
FinTech	1,203	1,147	5
TelcoTech	653	514	27
Total revenue	9,084	9,040	1

Revenue from Sustainable Energy segment was higher in the current quarter due to a one-off consultancy income of approximately RM71,000.

Overall, the profit after tax and non-controlling interest increased to RM0.53 million in the current quarter compared to profit after tax and non-controlling interest of RM0.28 million in the immediate preceding quarter.

B3. Prospects for 2022

Despite the challenges brought on by the pandemic in 2021, the Group had shown positive results in the previous financial year. However, the global outlook of 2022 has deteriorated, largely due to Russia-Ukraine geopolitical tensions since February 2022. The ongoing military conflict would severely set back the global recovery from the impacts of the COVID-19 pandemic, slowing growth, increasing inflation and affecting global trade activity.

Sustainable Healthcare's revenue contribution from Eastern Europe represented approximately 10% of the total Group revenue in Q2 2022. At the same time, the Group has made aggressive expansion of international sales to Cambodia, Spain, South Korea, Finland, Thailand, Myanmar, Bahrain and Maldives since 2021. This expansion is expected to mitigate any potential reduction of revenue contribution from Eastern Europe in 2022. The Management has assessed the financial impact on the Group and are of the opinion that there was no material financial impact arising from the crisis. The Group is actively monitoring and managing the operations of the Group to minimise any impact arising from these developments.

On the other hand, there has been an unprecedented acceleration in focus of the global investment community on Environmental, Social, and Governance ("ESG") factors. Sustainable Energy is increasingly becoming a necessity for companies operating in Malaysia. There are multiple key drivers for the ESG adoption in Malaysia.

The largest fund manager EPF has reinforced its commitment to investing in sustainable companies through EPF's Sustainable Investment Policy which targets to have a fully ESG compliant portfolio by 2030. Furthermore, Bursa Malaysia Securities Berhad requires listed companies to include a Sustainability Statement in their annual reports.

Sedania is in the business of enabling companies to become energy sustainable, and help to comply with the above mentioned requirements.

We remain cautiously optimistic of posting another set of good results barring any unforeseen circumstances. We remain steadfast in our pursuit of excellence whilst staying vigilant of any developments that may have an adverse impact on the Group.

We shall continue to monitor, reassess the financial position, take appropriate and timely action to minimise any negative impacts whilst being on the lookout for growth opportunities.

B4. Profit forecast

The Group has not issued any profit forecast in any public documents.

B5. Taxation

	3 months ended		6 months ended	
	30 Jun 2022 RM'000	30 Jun 2021 RM'000	30 Jun 2022 RM'000	30 Jun 2021 RM'000
Tax expense recognised in profit or loss:				
Current tax provision	663	236	982	427
	663	236	982	427
Deferred Tax:				
Relating to origination of Temporary Difference	-	-	-	-
Tax expense for the financial period	663	236	982	427

B6. Status of corporate proposals and utilisation of proceeds

- (i) The Group undertook a private placement of up to 20% of the total number of issued shares of SIB based on a shareholders' mandate procured pursuant to Section 75 and Section 76 of the Companies Act, 2016 approved by its shareholders at the Company's 6th Annual General Meeting convened on 29 June 2020 ("Proposed Private Placement"). On 23 October 2020, approximately 25% of the proposed private placement was completed via issuance of 14,500,000 new shares at RM0.132 each – raising a gross proceed of RM1.91 million. On 28 May 2021, approximately 75% of the balance proposed private placement was completed via issuance of 43,533,400 new shares at RM0.286 each – raising a gross proceed of RM12.45 million.

As at the date of this report, the proceeds from the Private Placement have been utilised in the following manner:

Purpose	Proposed utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation		Explanations (if the deviation is 5% or more)
	RM'000	RM'000		RM'000	%	
Green Technology Solutions ("GreenTech") segment	6,079	2,729	Within 12 months	3,350	55	(1)
General working capital	7,786	8,036	Within 12 months	-	-	(a)(b)
Private Placement expenses	500	250	Within 1 month	-	-	(b)
Total gross proceeds	14,365	11,015		3,350	23	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Announcements made by the Company dated 18 September 2020, 2 October 2020, 6 October 2020 and 31 May 2021.

Explanation:

(1) *The Group's GreenTech energy saving devices installation works are still in progress.*

Notes:

(a) *The general working capital allocated from this round of Private Placement has been fully utilised as at the date of this report.*

(b) *The actual expenses incurred for the Private Placement were lower than the estimated expense. Hence the balance of unutilised Private Placement proceeds of RM0.25 million has been re-allocated to working capital of the Group.*

On 27 May 2022, the Company announced that the utilisation of proceeds raised from private placement was extended for an additional twelve (12) months and is expected to be fully utilised by 31 May 2023.

There were no other corporate proposals, which have been announced but not completed as at 30 August 2022, being the date of this report.

B7. Borrowings

The Group's borrowings as at the end of this financial period are as follows:

	30 Jun 2022 RM'000	30 Jun 2021 RM'000
Current liabilities		
Term loan (secured)	667	645
Revolving credit	500	632
Trade facilities	1,130	500
	<u>2,297</u>	<u>1,777</u>
Non-current liabilities		
Term loan (secured)	3,313	3,313
	<u>3,313</u>	<u>3,313</u>
Total borrowings	<u>5,610</u>	<u>5,090</u>

Note: The term loan is secured by a first legal charge against the Group's office premises.

B8. Material litigation

There were no pending material litigations against the Group which might materially and adversely affect the Group's financial position.

B9. Dividends

No dividend has been paid, declared or proposed during the quarter under review.

B10. Earnings per share

(a) Basic earnings per share

The earnings per share are calculated by dividing the net profit/(loss) attributable to ordinary owners of the Company by the weighted average number of ordinary shares in issue during the period.

	3 months ended		6 months ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
Profit/(Loss) attributable to the owners of the Company (RM'000)	530	2,466	813	6,675
Weighted average number of ordinary shares in issue ('000)	347,189	311,008	347,189	311,008
Basic earnings per share (sen)	0.15	0.79	0.23	2.15

(b) Diluted earnings per share

The diluted earnings per share are calculated by dividing the net profit/(loss) attributable to ordinary owners of the Company by the weighted average number of ordinary shares in issue during the period, adjusted for the dilutive effects of potential ordinary shares from share options granted pursuant to the Employees' Share Option Scheme ("ESOS").

	3 months ended		6 months ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
Profit/(Loss) attributable to the owners of the Company (RM'000)	530	2,466	813	6,675
Weighted average number of ordinary shares in issue ('000)	347,189	311,008	347,189	311,008
Effect of dilution from share options ('000)	364	404	364	404
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000)	347,553	311,412	347,553	311,412
Diluted earnings per share (sen)	0.15	0.79	0.23	2.14

B11. Disclosure on selected expense/(income) items as required by the Listing Requirements

Included in profit before taxation are the following expense/(income) items:

	3 months ended 30 Jun 2022 RM'000	3 months ended 30 Jun 2021 RM'000	6 months ended 30 Jun 2022 RM'000	6 months ended 30 Jun 2021 RM'000
Depreciation of property, plant and equipment	74	46	148	198
Depreciation of right-of-use assets	182	99	363	138
(Gain)/Loss on foreign exchange				
- realised	(36)	17	(81)	65
- unrealised	-	1	-	1
Income distribution received from short term funds	(21)	(11)	(44)	(14)
Interest income from finance lease	(454)	(561)	(928)	(1,091)
Impairment losses on trade & finance lease receivables	-	470	-	1,469
Interest expense	94	49	204	79
Reversal of impairment losses on trade receivables	(2,052)	(1,000)	(2,202)	(1,000)

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
CHENG CHIA PING (MAICSA 1032514)
 Company Secretaries

Kuala Lumpur
 30 August 2022