



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

**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 2022**

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2022

	Quarter Ended			Year-To-Date Ended		
	31 Dec 2022 RM'000	31 Dec 2021 RM'000	Changes %	31 Dec 2022 RM'000	31 Dec 2021 RM'000	Changes %
Revenue	8,689	10,942	(21)	38,772	49,098	(21)
Other income	1,550	1,915	(19)	5,082	2,996	70
Cost of sales	(5,356)	(7,358)	(27)	(21,440)	(23,103)	(7)
Administration expenses	(5,402)	(4,019)	34	(19,301)	(16,617)	16
Profit/(Loss) from operations	(519)	1,480	(>100)	3,113	12,374	(75)
Finance costs	(269)	(127)	>100	(557)	(243)	>100
Share of result of associates, net of tax	-	-	-	-	-	-
Profit/(Loss) before taxation	(788)	1,353	(>100)	2,556	12,131	(79)
Taxation	191	(985)	(>100)	(1,179)	(1,810)	(35)
Profit/(Loss) for the period, representing total comprehensive income/(loss)	(597)	368	(>100)	1,377	10,321	(87)
NET PROFIT/(LOSS) ATTRIBUTABLE TO:						
- Owners of the parent	(370)	599	(>100)	754	8,299	(91)
- Non-controlling interests	(227)	(231)	2	623	2,022	(69)
	(597)	368	(>100)	1,377	10,321	(87)
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:						
- Owners of the parent	(370)	599	(>100)	754	8,299	(91)
- Non-controlling interests	(227)	(231)	2	623	2,022	(69)
	(597)	368	(>100)	1,377	10,321	(87)
Weighted average number of ordinary shares ('000)	347,485	347,189	0.1	347,264	329,247	6
Earnings per share attributable to the owners of the parent (Sen):						
- Basic	(0.11)	0.17	(>100)	0.22	2.52	(91)
- Diluted	(0.11)	0.17	(>100)	0.22	2.52	(91)

(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 31 DECEMBER 2022

	Unaudited as at 31 Dec 2022 RM'000	Audited as at 31 Dec 2021 RM'000
NON-CURRENT ASSET		
Property, plant and equipment	3,316	3,402
Right-of-use assets	1,563	971
Intangible asset	-	94
Long term receivables	16,053	16,615
Deferred tax asset	407	407
	<u>21,339</u>	<u>21,489</u>
CURRENT ASSETS		
Receivables, deposit & prepayments	11,965	9,913
Inventories	9,377	7,094
Short term funds	3,100	6,799
Cash and bank balances	11,385	6,508
Current tax asset	608	53
	<u>36,435</u>	<u>30,367</u>
TOTAL ASSETS	<u>57,774</u>	<u>51,856</u>
EQUITY		
Share capital	65,712	65,649
Reserves	(28,528)	(29,346)
Non-controlling interest	4,271	4,628
TOTAL EQUITY	<u>41,455</u>	<u>40,931</u>
NON-CURRENT LIABILITIES		
Bank borrowing	7,483	3,355
Lease liabilities	397	542
Deferred tax liabilities	2	2
	<u>7,882</u>	<u>3,899</u>
CURRENT LIABILITIES		
Payables, accruals & other current liabilities	2,996	4,341
Lease liabilities	1,337	539
Bank borrowing	4,104	1,748
Current tax liability	-	398
	<u>8,437</u>	<u>7,026</u>
TOTAL LIABILITIES	<u>16,319</u>	<u>10,925</u>
TOTAL EQUITY AND LIABILITIES	<u>57,774</u>	<u>51,856</u>
Weighted average number of ordinary shares ('000)	347,264	329,247
NET ASSETS PER SHARE (Sen)	11.94	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 FOURTH (4th) QUARTER ENDED 31 DECEMBER 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 31 December 2022							
Balance as at 1 January 2022	65,649	50	(24,440)	(4,956)	36,303	4,628	40,931
Total comprehensive income	-	-	-	754	754	623	1,377
Transactions with owners:							
Issuance of shares:							
Proceeds from ESOS	63	(1)	-	-	62	-	62
Share options vested under ESOS	-	65	-	-	65	-	65
Dividends	-	-	-	-	-	(980)	(980)
Balance as at 31 December 2022	65,712	114	(24,440)	(4,202)	37,184	4,271	41,455
Preceding year corresponding period ended 31 December 2021							
Balance as at 1 January 2021	52,895	120	(24,440)	(13,255)	15,320	2,606	17,926
Total comprehensive income	-	-	-	8,299	8,299	2,022	10,321
Transactions with owners:							
Issuance of shares:							
Private Placement	12,451	-	-	-	12,451	-	12,451
Proceeds from ESOS	303	(116)	-	-	187	-	187
Share options granted under ESOS	-	46	-	-	46	-	46
Balance as at 31 December 2021	65,649	50	(24,440)	(4,956)	36,303	4,628	40,931

(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 (4th) QUARTER ENDED 31 DECEMBER 2022

	Current year to date 31 Dec 2022 RM'000	Preceding year to date 31 Dec 2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,556	12,131
Adjustments for:		
Amortisation of Intangible Assets	-	9
Depreciation of property, plant, and equipment	287	331
Depreciation of right-of-use assets	729	555
Bad debt written off	-	7
Share options granted under ESOS	65	46
Interest expense on term loan	344	91
Interest expense on lease liabilities	118	70
Interest expense on letter of credit	95	81
Income distribution from short term funds	(124)	(82)
Impairment losses on trade & long term receivables	-	1,097
Impairment loss on preference shares in associate	-	333
Unwinding interest income from long term receivables	(1,812)	(2,119)
Gain on reassessment and modification of lease	-	(2)
Reversal of impairment losses		
- on trade receivables	(2,045)	(1,450)
- on long term receivables	(475)	(575)
Gain on disposal of property, plant and equipment	(1)	-
Operating (loss)/profit before working capital changes	(263)	10,523
Changes in working capital:		
Trade and other receivables	(3,394)	1,819
Inventory	(2,283)	(3,114)
Long term receivables	2,850	(7,292)
Trade and other payables	4,035	(881)
	1,208	(9,468)
Cash generated in operations	945	1,055
Tax paid	(2,131)	(1,639)
NET CASH USED IN OPERATING ACTIVITIES	(1,186)	(584)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(105)	(140)
Income distribution received from short term funds	66	82
Purchase of intangible asset	-	(102)
Investment in associate	-	(333)
Investment in subsidiary	-	(11,240)
Payment to the ultimate holding company in respect of profit guarantee	(1,938)	(1,938)
NET CASH USED IN INVESTING ACTIVITIES	(1,977)	(13,671)

CASH FLOWS FROM FINANCING ACTIVITIES

Drawdown of bank borrowing	7,622	1,780
Drawdown of letter of credit	-	754
Repayment of term loan	(1,137)	(211)
Repayment of lease liabilities	(668)	(620)
Interest paid	(558)	(172)
Proceeds from issuance of shares	62	12,638
Dividend paid	(980)	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	4,341	14,169
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,178	(86)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	13,307	13,393
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	14,485	13,307
Cash and cash equivalents comprised the following:		
Cash and bank balances	11,385	6,508
Short term funds	3,100	6,799
	14,485	13,307

(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 FOURTH (4th) QUARTER ENDED 31 DECEMBER 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 the 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 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

The adoption of the above standards does not have any significant impact on the current financial period.

Standards issued but not yet effective

The Group has not adopted the following pronouncements that have been issued but are 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
Amendment to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</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 the 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 were no issuance, cancellation, repurchases, resale, or repayments of debt and equity securities in the current quarter and the financial period ended 31 December 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 the 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		12 months ended	
	31 Dec 2022 RM'000	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2021 RM'000
Segment revenue				
Sustainable Healthcare	6,673	7,418	30,031	27,037
Sustainable Energy	174	1,895	1,282	15,649
FinTech	1,546	1,107	5,534	4,159
TelcoTech	296	522	1,925	2,243
Others	-	-	-	10
Total revenue	8,689	10,942	38,772	49,098
Segment operating profit/(loss) before tax				
Sustainable Healthcare	(860)	419	1,904	5,520
Sustainable Energy	(51)	1,101	628	7,294
FinTech	706	405	2,222	935
TelcoTech	(342)	133	(965)	392
Others	(241)	(705)	(1,233)	(2,010)
Operating (loss)/profit before tax	(788)	1,353	2,556	12,131

	31 Dec 2022 RM'000	31 Dec 2021 RM'000
Segment Assets		
Sustainable Healthcare	17,539	15,680
Sustainable Energy	26,072	20,415
FinTech	6,110	4,405
TelcoTech	6,352	4,756
Others	686	6,140
Total Assets	56,759	51,396
Segment Liabilities		
Sustainable Healthcare	7,695	4,534
Sustainable Energy	6,860	1,814
FinTech	398	410
TelcoTech	1,064	1,476
Others	300	2,292
Total Liabilities	16,317	10,526

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

	3 months ended		12 months ended	
	31 Dec 2022 RM'000	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2021 RM'000
Malaysia	8,053	9,165	31,858	41,674
Asian countries other than Malaysia	132	690	2,245	3,068
Europe	352	1,086	4,258	3,595
Others	152	1	411	761
Total	8,689	10,942	38,772	49,098

Year to date revenue from Malaysia, Asian countries other than Malaysia, Europe and Others contributed to approximately 82.17%, 5.79%, 10.98% and 1.06% 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			12 months ended		
	31 Dec 2022 RM'000	31 Dec 2021 RM'000	Changes %	31 Dec 2022 RM'000	31 Dec 2021 RM'000	Changes %
Revenue	8,689	10,942	(21)	38,772	49,098	(21)
Operating (Loss)/ Profit	(519)	1,480	(>100)	3,113	12,374	(75)
(Loss)/ Profit Before Interest and Tax	(519)	1,480	(>100)	3,113	12,374	(75)
(Loss)/ Profit Before Tax	(788)	1,353	(>100)	2,556	12,131	(79)
(Loss)/ Profit After Tax for the Period	(597)	368	(>100)	1,377	10,321	(87)
(Loss)/ Profit After Tax & Attributable to Ordinary Equity Holders of the Parent	(370)	599	(>100)	754	8,299	(91)

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

Group revenue for 4Q 2022 was RM8.69 million, a decrease of 21% from RM10.94 million in 4Q 2021. The decrease was mainly due to lower contributions from the Sustainable Healthcare, Sustainable Energy and TelcoTech segment during the quarter under review compared to the preceding year corresponding quarter.

The Group incurred an operating loss before tax of RM0.79 million as compared to an operating profit before tax of RM1.35 million in 4Q 2021 due to higher marketing and staff cost from Sustainable Healthcare.

Consequently, the Group recorded a loss after tax of RM0.60 million in 4Q 2022 million as compared to a profit after tax of RM0.37 million in 4Q 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 31 December 2022, total equity attributable to the owners of the Company was RM41.46 million as compared to RM40.93 million as at 31 December 2021.

Total assets increased to RM57.77 million on 31 December 2022 as compared to RM51.86 million on 31 December 2021. This was mainly due to the increase in total receivables, deposits & prepayments, and inventories of 20.70% and 32.18% respectively compared to 31 December 2021.

Total liabilities increased from RM10.93 million as at 31 December 2021 to RM16.32 million as of 31 December 2022. The increase in total liabilities was

mainly due to the increase in bank borrowings, in particular, trade finance facilities, in the current period.

(iii) Statement of Cash Flows

As at 31 December 2022, the Group had a net cash inflow of RM1.18 million. The Group has RM14.49 million in short-term deposits and bank balances, RM11.95 million in borrowings, and RM0.94 million in lease liabilities.

For the twelve (12) months ended 31 December 2022, the net cash used in operating activities was RM1.19 million as compared to RM0.58 million used in the previous corresponding period in 2021.

The twelve (12) months ended 31 December 2022 saw a decrease in net cash used in investing activities from RM13.67 million in the prior period in 2021 to RM1.98 million.

During the period, net cash generated from financing activities was RM4.34 million as opposed to RM14.17 million from the same period in 2021.

Segmental analysis

a. Current quarter ended 31 December 2022 (“4Q 2022”) compared with the previous corresponding quarter ended 31 December 2021 (“4Q 2021”):

Sustainable Healthcare

In 4Q 2022, the Sustainable Healthcare segment revenue was RM6.67 million, a decrease of 10.03% or RM0.74 million compared to 4Q 2021.

The segment recorded an operating loss before tax of RM0.86 million in the current quarter as compared to the segment operating profit before tax of RM0.42 million in 4Q 2021. The decline was mostly caused by increasing costs for marketing and promotion for brand-building activities, employee benefits as a result of hiring more people to support business growth, rental of temporary warehousing space, and related expenses.

Sustainable Energy

The Sustainable Energy segment recorded a revenue of RM0.17 million in 4Q 2022 as compared to RM1.90 million in 4Q 2021. The lower revenue recorded was mainly due to no sites completed in 4Q 2022 as compared to 4Q 2021. Other revenue from this segment was 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.

The segment recorded an operating loss before tax of RM0.05 million in 4Q 2022 as compared to the segment operating profit before tax of RM1.10 million in 4Q 2021. The decrease is mainly due to the higher cost of sales incurred in the current quarter as compared to 4Q 2021.

FinTech

Revenue for the FinTech segment in 4Q 2022 was RM1.55 million, up 40% from 4Q 2021. The significant traffic from its Tawarruq and Go Halal platforms as compared to 4Q 2021 was the biggest contributor to the growth.

The segment recorded an operating profit before tax of RM0.71 million in the current quarter, compared to an RM0.41 operating profit before tax in 4Q 2021.

TelcoTech

TelcoTech platform recorded a revenue of RM0.30 million in 4Q 2022, a decrease of 43.30% from the same period last year. This was mainly due to lower sharing platform transactions recorded in 4Q 2022 as compared to 4Q 2021.

Due to common operating expenses/indirect costs allocated on a reasonable basis to this segment for whose benefit the expense was incurred, the segment recorded an operating loss before tax of RM0.34 million in the 4Q 2022 as opposed to an operating profit before tax of RM0.13 million in the 4Q 2021.

Others

This segment comprises operations relating to investment holding company.

The segment recorded a segment operating loss before tax of RM0.24 million in 4Q 2022 as compared to a segment operating loss of RM0.71 million in 4Q 2021. This was due to common operating expenses/indirect costs allocated on a reasonable basis to this segment for whose benefit the expense was incurred.

B2. Comparison with the immediate preceding quarter's results

	Quarter ended		Changes %
	31 Dec 2022 RM'000	30 Sep 2022 RM'000	
Revenue	8,689	12,160	(29)
Operating (Loss)/ Profit Before Interest and Tax	(519)	1,279	(>100)
(Loss)/ Profit Before Tax	(788)	1,195	(>100)
(Loss)/ Profit After Tax for the Period	(597)	820	(>100)
(Loss)/ Profit After Tax and Non-controlling Interest For the Period	(370)	323	(>100)

Revenue for the quarter ended 31 December 2022 decreased by 29% as compared to the immediate preceding quarter ended 30 September 2022. The following table shows net revenue by segment for the quarter ended 31 December 2022 compared to the preceding quarter ended 30 September 2022.

	31 Dec 2022 RM'000	30 Sep 2022 RM'000	Changes +/(-) %
Segment revenue			
Sustainable Healthcare	6,673	8,931	(25)
Sustainable Energy	174	1,129	(85)
FinTech	1,546	1,638	(6)
TelcoTech	296	462	(36)
Total revenue	8,689	12,160	(29)

Overall, the Group recorded lower revenue across all segments in the current quarter compared to the previous quarter.

The Group recorded a loss after tax and non-controlling interest of RM0.37 million in the current quarter compared to a profit after tax and non-controlling interest of RM0.32 million in the immediate preceding quarter.

B3. Prospects for 2023

In 2022, the Group persevered despite operating in a challenging environment largely due to Russia-Ukraine geopolitical tensions since February 2022. The ongoing military conflict has severely dampened the global recovery from the impacts of the COVID-19 pandemic by impeding growth, increasing inflation, and disrupting global trade activities.

Despite the uncertainties in global macroeconomic environment, Malaysia managed to record strong gross domestic product (GDP) growth of 8.7% in 2022 according to Bank Negara Malaysia, exceeding the earlier estimate of 6.5%-7%.

This depicted the gradual recovery of consumer, business and investor confidence in the national economy, strengthened further by Malaysia's decreasing unemployment rate in the second half of 2022.

In addition to growing awareness about sustainability and mandatory requirements for ESG compliance by regulatory authorities, the encouraging local macroeconomic conditions augured well for our business prospects.

In 2023 we aim to grow further across all our business segments. On the Sustainable Energy front, we currently possess a healthy pipeline of energy efficiency and renewable energy projects where healthy streams of revenue will consistently be recognised immediately and over the long term.

This would be complemented by our target to become a larger enabler of energy sustainability for companies as we proactively look to obtain more new contracts from companies across various industries such as manufacturing, commercial, and hospitality.

Our Sustainable Healthcare subsidiary under the Offspring brand looks set to continue expanding into more highly populous markets while growing our average basket of eco-friendly products sold in each of the over 20 countries we are currently present in.

This would be supported by factors such as high fertility rates being sustained and possibly even growing in several populous markets, as well as the rapidly growing awareness and demand from the masses for eco-friendly products and initiatives which combat climate change.

Our FinTech division also is heading towards another exciting year as it continues to grow its portfolio of Shariah-compliant FinTech solutions for financial services institutions (“FSIs”).

We are hopeful that more FSIs will come onboard our services which will help them offer unique products and services to end-users.

B4. Profit forecast

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

B5. Taxation

	3 months ended		12 months ended	
	31 Dec 2022 RM'000	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2021 RM'000
Tax expense recognised in profit or loss:				
Current tax provision	(244)	985	1,126	1,787
Under provision in prior year	53	-	53	61
	(191)	985	1,179	1,848
Deferred Tax:				
Relating to origination of Temporary Difference	-	-	-	(30)
Over provision in prior years	-	-	-	(8)
Tax expense for the financial period	(191)	985	1,179	1,810

B6. Status of corporate proposals and utilisation of proceeds

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. On 27 May 2022, the Company further announced that the utilisation of proceeds raised from private placement was extended for an additional twelve (12) months.

As of the date of this report, the proceeds from the Private Placement have been fully utilised as follows:

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	6,079	Within 12 months	-	-	
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	14,365		-	-	

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.

Notes:

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

There were no other corporate proposals, which have been announced but not completed as at 28 February 2023, being the date of this report.

B7. Borrowings

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

	31 Dec 2022 RM'000	31 Dec 2021 RM'000
Current liabilities		
Term loan (secured)	736	494
Revolving credit	500	500
Trade facilities	2,868	754
	<u>4,104</u>	<u>1,748</u>
Non-current liabilities		
Term loan (secured)	7,843	3,355
	<u>7,843</u>	<u>3,355</u>
Total borrowings	<u>11,947</u>	<u>5,103</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		12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Profit/(Loss) attributable to the owners of the Company (RM'000)	(370)	599	754	8,299
Weighted average number of ordinary shares in issue ('000)	347,485	347,189	347,264	329,247
Basic earnings per share (sen)	(0.11)	0.17	0.22	2.52

(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		12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Profit/(Loss) attributable to the owners of the Company (RM'000)	(370)	599	754	8,299
Weighted average number of ordinary shares in issue ('000)	347,485	347,189	347,264	329,247
Effect of dilution from share options ('000)	1,111	412	1,111	412
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000)	348,596	347,601	348,375	329,659
Diluted earnings per share (sen)	(0.11)	0.17	0.22	2.52

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 31 Dec 2022 RM'000	3 months ended 31 Dec 2021 RM'000	12 months ended 31 Dec 2022 RM'000	12 months ended 31 Dec 2021 RM'000
Depreciation of property, plant and equipment	65	73	287	331
Depreciation of right-of-use assets	185	342	729	555
(Gain)/Loss on foreign exchange				
- realised	(114)	52	(265)	53
- unrealised	-	-	-	-
Income distribution received from short term funds	(47)	(29)	(124)	(82)
Unwinding interest income from long term receivables	(439)	(499)	(1,812)	(2,119)
Impairment losses on trade & long term receivables	-	8	-	1,097
Interest expense	269	127	557	243
Reversal of impairment losses on trade & long term receivables	(611)	(1,433)	(2,520)	(2,025)

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)

CHENG CHIA PING (MAICSA 1032514)

Company Secretaries

Kuala Lumpur
28 February 2023